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# The National Life Insurance Writer

LIFE INSURANCE EDITION

FRIDAY, AUGUST 10, 1934

INS. LAB.

AUG 11 1934

## TWO MEN IN A BOAT - 20 YEARS LATER

SCENE III

DICK, I'M MAKING YOU A PARTNER- I WANT YOU TO STEP INTO MY SHOES AND CARRY ON

GOSH! ONE OF MY POLICIES MATURED TODAY TOO- IT'S MY LUCKY DAY I GUESS -I SURE THANK YOU

IT ISN'T LUCK, DICK, I KNEW ABOUT YOUR INSURANCE AND IT WAS JUST SUCH LONGSIGHTEDNESS WHICH CONVINCED ME YOU COULD CARRY ON HERE

I APPRECIATE THAT

THERE'S THE ANSWER, JOHN- THAT MAN WILL SAVE NOTHING BUT HIS INSURANCE PROBABLY

THAT'S THE SAD PART- I KNOW JOHN, WE STARTED TOGETHER 20 YEARS AGO AND HE NEVER BELIEVED IN INSURANCE

STOCKS TUMBLING! OVERNIGHT CRASH OF THE BIG JOHN DOE INTERESTS- THE FALL OF THE HOUSE OF DOE COMPLETE !!!

EXTRA!

ARE YOU INTERESTED?

RICHARD ROE AND HIS BOSS

WRITE FOR GENERAL AGENCY PROPOSITION  
AND TERRITORY

# RESERVE LOAN LIFE

## INSURANCE COMPANY

INDIANAPOLIS, INDIANA.



# The National Life and Accident Insurance Company

. . . Made More Growth Than Any Other Company in 1933  
. . . Has Made More Growth First Six Months, 1934, Than  
It Made During the Entire Record-Breaking Year of 1933

AMONG MORE THAN THREE HUNDRED COMPANIES IN THE UNITED STATES  
AND CANADA—

## THE NATIONAL RANKS—

FIRST—On increase in Industrial Insurance in force for 1933.  
FIRST—On increase in Ordinary Insurance in force for 1933.  
FIFTH—On total number of policies in force.  
SEVENTH—On total Industrial Insurance in force.  
ELEVENTH—On new Life Insurance written during 1933.

GROWTH FIRST SIX MONTHS, 1934, ALMOST FOUR TIMES THAT FOR  
FIRST SIX MONTHS, 1933  
HERE ARE THE COMPARATIVE FIGURES  
NEW PAID BUSINESS

	First Six Months 1934	First Six Months 1933
Industrial	\$73,477,698.00	\$59,516,118.00
Ordinary	29,052,054.00	16,722,657.00
Total	\$102,529,752.00	\$76,238,775.00
INCREASE IN INSURANCE IN FORCE		
	First Six Months 1934	First Six Months 1933
Industrial	\$22,214,000.00	\$ 7,866,815.00
Ordinary	15,397,780.00	2,525,409.00
Total	\$37,611,780.00	\$10,392,224.00

**First Among All in 1933**

**Growing Greater Every Day**

*Shielding Millions — Are We Shielding You?*

**The National Life and Accident Insurance Company, Inc.**

HOME OFFICE

NATIONAL BUILDING

NASHVILLE, TENN.

## Life Assurance is the Backlog of the Home!

You know—the timber at the back of the fireplace, against which the lighter fuel is piled and the fire is built—reflecting and increasing the comfort of the blaze—holding and radiating welcome heat when other fuel has been consumed. The backlog is what must first be secured. It remains when everything else disappears.

That is what the soundest financiers call life assurance — a Backlog! Bonds, mortgages, stocks, savings, building and loan shares—all desirable—but secondary. By life assurance an estate can be created outright. It is unaffected by market fluctuations. It is impregnable. In the Sun Life of Canada, life assurance is not only a sure bulwark against death or disability—it is a profitable form of investment.

*There is a Sun Life policy suited to every requirement.*

**SUN LIFE ASSURANCE  
COMPANY OF CANADA**

HEAD OFFICE

MONTREAL

**30 years of  
never faltering service**

**to agents makes the**

**Guaranty Life outstanding  
as an agents' company**

modern, liberal policy contracts,  
a strong financial foundation,  
experienced, sincere management  
are yours when you represent  
this sound, progressive company

Lee J. Dougherty, President

**Guaranty Life Insurance Co.**  
Davenport, Iowa



# The National Underwriter

## LIFE INSURANCE EDITION

Thirty-Eighth Year—No. 32

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, AUGUST 10, 1934

\$3.00 Per Year, 15 Cents a Copy

### C. L. U. Results in 1934 Quiz Listed

All Requirements for Designation Are Met This Year by 143 Candidates

#### 821 NOW HOLD DEGREE

Idea Grows of Taking Examinations Over Period of Years Instead of At One Time

There were 688 candidates for the C. L. U. designation who took the examination in whole or in part this year and 22 persons took the agency management examination, the American College of Life Underwriters reports. The spread of the C. L. U. idea is indicated by the fact that candidates this year hailed from 138 cities and 39 states, the District of Columbia, Hawaii, China and India, representing 86 life companies.

Emphasis on the four-year program of study for the C. L. U. designation resulted in 622 taking only part of the examinations this year and only 66 appearing for all five parts of the quiz. Of the 143 candidates who completed the examination 106 have taken the examinations in installments over a period of two or more years.

#### Designation Goes to 100

There were 109 of the 143 who are entitled to the designation who also completed three years of satisfactory life insurance experience, thus increasing the number of those holding the degree to 821. Seven persons will receive certificates of proficiency in the course on agency management. There were 13 passed all C. L. U. examinations but who must complete three years of life insurance selling; 14 others passed all examinations but complete data as to their experience have not been received.

There were 386 candidates awarded credit for all examinations which they undertook and 811 candidates were credited for successful completion of some of the five examinations, compared with 665 last year. Of the 811, 70 were credited with four of the five examinations, 173 with three, 292 with two and 276 with one.

#### Successful Candidates

Candidates entitled to the C. L. U. designation this year are:

Allen, E. J., John Hancock, New York; Andrews, G. B., Phoenix Mutual, New York; Baird, R. L., Equitable of Iowa, Oklahoma City; Barker, J. M., Connecticut Mutual, St. Louis; Beardslee, W. R., assistant secretary, Brooklyn National, Brooklyn; Boettner, J. E., Continental American, Philadelphia; Bond, George, Union Central, Oklahoma City; Boyd, B. B., Northwestern Mutual, Kansas City; Brasch, Rose C., New York Life, St. Louis; Brown, H. C., Prudential, Oakland, Cal.; Burwell, L. C., Jr., Penn Mutual, Charlotte, N. C.; Carleton, M. S., Mutual Benefit, Detroit; Clark, Ernest J. Jr., John

### Group Pension Rates Are to Be Increased Sept. 1

#### SECOND ADVANCE THIS YEAR

Interest Factor Assumed Drops to 3/4 Percent; Companies Act in View of Doubtful Investment Results

Rates on group pensions are to be increased approximately 25 percent Sept. 1 by companies in the group conference. This is in addition to a 15 percent advance in April. Some companies call these contracts group annuities.

The rise is due to decreasing interest earnings and the problem presented to life companies in the investment field. Whereas, in the past group pension rates have been based on an interest assumption of 3 3/4 percent, in future the factor will be 3/4 percent.

#### Rates Considerably Greater

The Sept. 1 advance will mean a 25 percent greater rate to employers for future service and 12 1/2 percent for past service. This applies to covering employees, respectively, from the time the group pension plan is made effective, or going back to the time of employment.

There has been a fair interest in group pension plans throughout the country in the last year, but group men believe there will be great growth in this field in the future. At present it is said there is greater relative activity in the group pension field than in any other group line.

Hancock, Baltimore; Cleeton, C. E., Occidental, Los Angeles; Collett, W. B., Jr., Northwestern Mutual, Detroit; Cooley, W. S., Pacific Mutual, Denver; Coyle, E. A., Massachusetts Mutual, Pittsburgh; Darling, C. C., Seaboard, Houston; Robbs, C. B., Mutual Benefit, Lincoln, Neb.; Douglas, L. A., Jefferson Standard, El Paso; Dowell, U. S., Mutual Life, Baltimore; Dozier, R. W., Massachusetts Mutual, Oklahoma City; Fargo, K. V., Lincoln National, Columbus, O.; Floyd, F. W., Berkshire, Philadelphia.

\* \* \*

Flynn, J. F., Northwestern Mutual, New York; Friedler, Frank, Home of New York, New Orleans; Fuller, Brooks, Prudential, Chicago; Fuller, H. C., Northwestern Mutual, Milwaukee; Gardner, W. R., supervisor of agents, Atlantic Life, Richmond, Va.; Gillispie, E. A., Massachusetts Mutual, Shreveport, La.; Gold, F. A., Mutual of New York, Cleveland; Gross, E. A., Pacific Mutual, Houston; Guon, Wolf, Metropolitan, Chicago; Halgren, R. M., State Mutual, Indianapolis; Hall, L. G., New York Life, Los Angeles; Heintz, E. H., United Mutual, Philadelphia; Hertzman, Irwin, State Mutual, Louisville; Hull, J. R., Mutual of New York, Meridian, Miss.; Hume, H. W., field assistant, Travelers, Albany; Hupp, J. C., Fidelity Mutual, Fairmont, W. Va.; Jackson, H. V., Northwestern National, Houston; Johnson, G. M., Connecticut General, Philadelphia; Johnson, Paul, Midland Mutual, Cincinnati; Jones, Beatrice, agency group supervisor, Equitable of New York, New York; Jones, L. C., instructor, Northwestern Mutual, Milwaukee; Kane, R. L., Metropolitan, Pittsburgh; Kay, H. P., Penn Mutual, Boston; Keller, O. J., 3rd, New York Life, Frederick, Md.

King, Gilbert, broker, Los Angeles; Kirchner, E. L., Acacia Mutual, Allentown, Pa.; Kissinger, D. K., Massachusetts

(CONTINUED ON LAST PAGE)

### Transfer of the Abraham Lincoln Life Is Rescinded

#### HILL REASSUMES CONTROL

Kansas City People Fail to Fulfill "Guarantees and Stipulations," According to Official Statement

The deal for the purchase of the Abraham Lincoln Life of Springfield, Ill., fell through this week and those formerly in control, headed by President H. B. Hill, are again in the saddle.

Those who appeared as the purchasers were C. Z. German and C. W. German of Kansas City and their associates. The former had already been elected president and the latter vice-president. At an adjourned meeting of the stockholders of the Abraham Lincoln Life this week, the resignations of the two Germans were accepted and later at a meeting of the directors, the old officers were elected.

Mr. Hill issued an official statement in which he said that the Germans had not performed certain guaranties and stipulations which were contained in the contract of sale. One of the stipulations, according to Mr. Hill, was that a real life insurance executive with 20 years' experience would be brought into the company to manage its affairs. However, no such executive appeared and the Germans stated, according to Mr. Hill, that they had decided to get along without an insurance man. The Germans had been given until Monday of this week to fulfill the "guaranties and stipulations." Mr. Hill stated that their request for additional time within which to conform the contract was denied.

There had been considerable speculation as to whether the Germans were the real purchasers. They had been represented by A. J. Weil of Peoria, Ill., attorney, who defended Emmet May, former president of the Peoria Life on criminal charges. The new purchasers seemed to be confident that they would be granted the reinsurance of the business of the defunct Peoria Life.

### Bar Association Insurance Section Program Announced

MILWAUKEE, Aug. 9.—H. J. Mortensen, Wisconsin commissioner, will give the address of welcome to the insurance section at the annual meeting of the American Bar Association here Aug. 27-31. Remington Rogers, Tulsa, Okla., will talk on "Bogus Claimants and Malingerers" at the opening session. Other speakers at this sectional meeting will include W. S. Pope, casualty commissioner of Texas; F. S. Kellogg, Jersey City, who will speak on silicosis; C. W. Hobbs, special representative of the Commissioners' Convention to the National Council on Compensation Insurance; L. P. Kristeller, Newark, who will speak on fire insurance; John F. Handy, Wesley E. Monk, general counsel Massachusetts Mutual Life, and L. Barrett Jones, Jackson, Miss.

H. C. Spencer, counsel New York department, and J. H. D. Sayer, former industrial accident commissioner of New York, will speak.

### Dividend Reduction Now Seems Likely

Demand for Liquidity and Low Yield on Investments Presents Problem

#### CUT EXPECTED IN 1935

Return of Satisfactory Mortality, Expense Savings Insufficient to Stave Off Action

NEW YORK, Aug. 9.—Unless the investment market opens up in the next few months it is considered likely that life company dividends are due for another cut when the 1935 schedules are announced. Mortality is satisfactory, some companies showing marked improvement on this score, but unless there are definite signs of a real demand for sound financing at a reasonable return on invested funds, life companies can do little except continue to put the bulk of their funds into U. S. governments or other securities of such unquestioned stability that the yield is unduly close to zero.

#### Liquidity Lowers Yield

It is nothing extraordinary for a company to have 10 percent of its assets in investments so liquid that it will be lucky to average half of 1 percent on that portion. It was hoped that the recent amendment to the earlier and more drastic Securities Act would be all that was needed to spur the demand for funds, but it has not proven so.

The stagnation is so profound that there is practically no financing in the large group of good grade bonds that normally form the backbone of life company investments. The comparatively small number of highly esteemed bonds are selling so high that they hardly yield more than U. S. governments, and many believe them to be as overpriced now as common stocks were in 1929.

A list of 30 bonds rated Aaa by Moody dropped to a low yield of 3.86 percent, according to the current issue of the financial bulletin of the National City Bank of New York, which states that these are the lowest yields at which high grade bonds have sold since the first years of this century.

With such a situation prevailing, life companies must trim their dividend sails according to the prevailing financial wind, for even the most optimistic mortality and expense savings can do little in the face of such abnormally depressed returns on investments made at today's prices.

The Northwestern Mutual Life has restored the 10 percent cut in salaries of May, 1933, to some 800 employees from the president down to those who received about \$1,000 annually. Those who received less than that amount in yearly salaries were not affected by the original cut.

# Life Insurance Asset Changes Shown in One-Year, Five-Year Analyses

Interesting light on investment trends is found in two comparisons released at the same time. The United States Department of Commerce publishes figures analyzing the investments of 39 life companies as of May 31, 1933, and the same date this year. The Unique Manual-Digest makes a similar analysis for all companies as of Dec. 31, 1928, and Dec. 31, 1933, a five-year interval.

The Department of Commerce figures show what has been going on in the most recent period. Comparison with the five-year period emphasizes the reversal that has taken place.

The twelve-month increase in holdings of government bonds was \$476,064,000 or 116 percent for the 39 companies. Mortgage loans of those companies decreased \$562,038,000, while their real estate holdings increased \$340,698,000. The government publicity indicates that the gain in government bonds and also in real estate came from the mortgage account, by way of HOLC and federal farm agencies in the one case, and by way of foreclosures or deeds from mortgagors in the other.

The five-year showing on these items for all companies indicates practically no change in the mortgage account in five years, while the real estate account increased \$874,709,000 and the government bonds \$937,751,000. If the gain in real estate holdings is from mortgage account, then the companies since 1928 must have loaned on security of real property about \$850,000,000, in addition to the one-year decrease shown by the government figures.

The government figures also show a

DEPARTMENT OF COMMERCE—ONE YEAR—39 COMPANIES						
Class	May 31, 1934	Pct. Total	May 31, 1933	Pct. Total	1934 over 1933	Pct. Change
Mortgage Loans:						
Farm .....	\$ 1,123,798,000	6.3	\$ 1,343,126,000	7.9	\$ -219,328,000	-16.3
Other .....	4,274,371,000	24.4	4,617,081,000	26.9	-342,710,000	-7.4
	\$ 5,398,169,000	30.7	\$ 5,960,207,000	34.8	\$ -562,038,000	-9.4
Real estate .....	1,126,626,000	6.4	785,928,000	4.6	340,698,000	43.3
Collateral loans .....	7,353,000	.4	8,922,000	.5	-1,569,000	-17.6
Policy loans and premium notes ..	2,907,107,000	16.6	2,987,577,000	17.4	-80,470,000	-2.7
Bonds and stocks:						
U. S. Government .....	886,474,000	5.0	410,410,000	2.4	476,064,000	116.0
State, county and municipal .....	755,741,000	4.2	643,110,000	3.7	112,631,000	17.5
Canadian Government .....	390,913,000	2.2	390,879,000	2.2	34,000	...
Other foreign government .....	13,066,000	.7	21,254,000	1.2	-8,188,000	-38.5
Railroad .....	2,585,737,000	14.6	2,618,105,000	15.3	-32,368,000	-1.2
Public utility .....	1,727,213,000	9.8	1,665,393,000	8.8	61,820,000	3.7
All other .....	558,887,000	3.1	517,551,000	3.0	41,336,000	8.0
	\$ 6,918,031,000	39.6	\$ 6,266,702,000	36.6	\$ 651,329,000	10.4
Cash .....	547,214,000	3.1	384,627,000	2.3	162,587,000	42.3
All other assets .....	582,118,000	3.2	653,283,000	3.8	-71,165,000	-10.9
Total admitted assets .....	\$17,486,618,000	100.0	\$17,047,246,000	100.0	\$ 439,372,000	2.6

UNIQUE MANUAL DIGEST—FIVE YEARS—ALL COMPANIES						
Class	Dec. 31, 1933 (283 Companies)	Pct.	Dec. 31, 1928 (278 Companies)	Pct.	Increase	Pct. Change
Real Estate .....	\$ 1,288,952,436	5.78	\$ 414,243,212	2.45	\$ 874,709,224	211.16
Mortgages .....	6,915,434,053	31.04	6,942,786,189	41.09	-27,352,136	-0.39
Gov't Bonds (Mun'l, State & Fed.) ..	2,348,541,549	10.54	1,410,790,376	8.35	937,751,173	66.47
R. R. Bonds .....	2,884,022,590	12.94	2,782,780,033	16.47	101,242,557	3.64
Public Utility and Misc. Bonds .....	2,249,137,683	10.09	1,673,974,555	9.91	575,163,128	34.38
Stocks .....	831,272,318	3.73	426,783,543	2.53	404,488,775	94.75
Premium Notes and Policy Loans ..	3,988,925,543	17.90	2,128,170,397	12.60	1,860,755,146	87.38
Cash and Misc. ....	1,775,203,618	7.98	1,115,713,207	6.60	659,490,411	59.10
Admitted Assets .....	\$22,281,489,790		\$16,895,241,512		\$5,386,248,278	31.92

decrease in railroad bonds in the past year, while the five-year table shows the companies continued to make railroad bond purchases until the collapse of a year ago. The government report thus indicates that two of the great avenues of investment for life funds have been

closed to the companies in recent months. Life men will be surprised at the decrease in policy loans in the past year. It checks, however, with the great sacrifice of life insurance protection which resulted in a decrease in the amount of insurance in force.

The government showing indicates an increase of 2.6 percent in total assets in one year, while the five year table shows an increase of 31.92 percent in five years. Thus the rate of increase was slowed down by about two-thirds, compared with the earlier years of the depression.

## Leader Among Women in Agency Work Dies



MRS. FLORENCE E. SHAAL

Mrs. Florence E. Shaal of Boston, who was the first and only woman to serve as vice-president of the National Association of Life Underwriters, died at her home from heart disease. For many years she was manager of the women's department of the Equitable Life of New York in Boston. Funeral services were held in Brookline, Mass.

Last week the Equitable Life celebrated the 35th anniversary of Mrs. Shaal's connection with the company. During her career with the company she had served under all its presidents save the first. She had trained several score of successful women in life insurance salesmanship and built a large volume of life insurance on women in the Boston vicinity.

## Standard Acquisition Cost Program Suggested

By Verne Gordon

The cost of procuring new life insurance varies from 25 percent to well over 100 percent of first year premiums. Which is too high, or which too low?

Why do such high acquisition costs, higher than even luxury lines such as jewelry permit for one time sales, still leave the average agent with only a pittance a year?

What do the 50 percent, or less, companies do with the difference, if their net costs work out, as they do, at about the same as in the case of the 75 percent, or higher, companies?

This matter of expense ratios is vital, for it is getting worse instead of better as business contracts. Should there be any tremendous expansion of business soon, it would still be a major problem.

### Consider 75 Percent Too High

Certainly the 75 percent or higher acquisition cost is too high, if any good companies can build a good business on a 50 percent rate, and they do.

If a 50 percent rate is possible, then all companies should conform to or very nearly to that. Any amount over that is an invitation to trouble, to twisting, rebating, etc.

The extreme may be cited of one company which was reported to be paying 110 percent first year commissions, and at least one of its agents was reported to be buying business. He could readily afford to, for he could give policies away and still make 10 percent plus renewals which would be something even on an extremely heavy lapse rate. It is easy to see that such an extreme case, if true, is decidedly poor business and yet it is equally poor business farther down the scale. The companies with the higher acquisition costs, whether open or hidden, are creating the

very ills which their own agents along with all others, are protesting at association meetings.

It is not only a matter of higher commissions. The company with a higher expense ratio, even though it may be on the same commission basis as a 50 percent company, is, in effect, doing the same thing as paying higher commissions. It is allocating that much more—25 percent of first year premiums, say—to the aid of its sales force. In the case of one medium-sized company, this means a difference of \$1,000,000 a year to apply to sales equipment and aids or organization.

### Advertising Fund Scheme

Some companies carry acquisition costs even beyond this. A certain general agent was sought by two companies and was won by the company which guaranteed \$5,000 a year or more than the other, by allotting an advertising fund of that amount. Of course, only 40 percent of advertising is a direct charge against acquisition cost, and there are other items which might not be chargeable at all.

These variations are bad for the business. It cheapens the contract to have a newcomer, either agent or general agent, put on the auction block and bid for with offers of higher commissions, greater sales aids, advertising funds, office setups, home office field men to help direct field activities, etc. Not only does it cheapen the contract, but it creates a greater urge to overstep the bounds of ethics now and then—provided the contract is sufficiently liberal.

Basically, it costs just about the same for all companies to secure new business. Anything in excess of that is actually a gratuity, which should be conserved for the policyholders. The \$1,-

000,000 mentioned above, as the 25 percent excess acquisition cost of one medium-sized company, would have prevented its 22 percent dividend cut, in fact, would have warranted a slight dividend increase.

### Designed to Help Agent

These higher costs were designed, of course, primarily to help the men in the field. Higher commissions and all the other gratuities were supposed to help the agent and the general agent. As a matter of fact, they constitute one of the chief contributing factors in the present difficulties. For as soon as one enters this game, another outbids and soon all are in turmoil.

A far more complacent, permanent and honest organization could result from a less hectic, and less expensive system. Everyone would gain, field, home office and, above all, the policyholder. Today, much could be done to prevent further dividend cuts and perhaps reinstate previous cuts, if some of the acquisition cost inequalities could be ironed out, and yet, on the contrary, many companies are now even expanding their cost ratios, hoping that these extra efforts will increase business and therefore be justified. They usually do not do this expanding and are not justified.

Also, there is an unfortunate expansion of cost ratios in the carrying of profitless, costly agencies and agents. Many companies are now carrying, in the aggregate, many hundreds of agencies and many thousands of agents, hopeful that their future will warrant this and as an expression of gratitude for their past efforts. This may prove a costly gesture, for if a man or an agency unit has fallen into the loss columns in this business where everyone has an equal chance at ranking honors, it may be that he or it was one of the fair weather clan and the support may prove unwarranted. Certainly on this score there should be a very definite housecleaning, to divert from the channels of the defeated to those who are more deserving the major portion of these gratuities, if any.



## Huebner Hopes Annuities Will Not Be Too Limited

### SOLVES OLD AGE PROBLEM

Educator on Western Speaking Tour Sees Taxation Serious Trend, Opposes Dollar Devaluation

Hope that life companies would not go too far in restricting or discontinuing sale of annuities was expressed by Dr. S. S. Huebner, dean American College of Life Underwriters, in several addresses on a speaking tour in the middle west, far west and south.

There is a distinct trend toward consciousness of the problem of old age, which life insurance is solving through annuities, he said. The public has become annuity-minded. Without an annuity a man lives on his current interest, and when he does leaves the whole principal to someone else.

Taxation is another serious trend, said the educator. Rapidly mounting governmental costs must be met. He expressed hope they would not be met again by devaluing the dollar, for he considers it a dishonest way to pay the bill.

#### Several Dates Are Set

Dr. Huebner addressed the Kansas City association July 31, and the Omaha association Aug. 3. He is on the program for a talk at Portland, Ore., Aug. 11 as guest of the C. L. U. chapter there.

A meeting is scheduled in Los Angeles Aug. 18 where Dr. Huebner will address the association, sponsored by John W. Yates, general agent Massachusetts Mutual, of which company Dr. Huebner is educational advisor. The C. L. U. chapter there will attend in force.

He also is scheduled to speak before the Oklahoma association in Oklahoma City, Sept. 11.

Following Dr. Huebner's address in Portland, the gathering will be entertained at Timberline on Mt. Hood. Mrs. Huebner will be a guest of the ladies' auxiliary at the Waverly Golf and Country Club.

#### Strong Reason for Insurance

Dr. Huebner spoke twice in Omaha, once at breakfast and again at a luncheon under auspices of the insurance subdivision of the chamber of commerce. He said the cost of living rose 23.4 percent in the last year while wages rose only half as much, a condition which makes it imperative that life insurance be placed in the household budget. Salaried persons and small business men will have to bear the brunt of the rise in living costs.

In the Kansas City talk Dr. Huebner said Marx's prediction that there would be a depression from which capital would not recover will not come true in this depression, and socialism will be confused, at least this time, for the country is already on the way out. One out of five estates has disappeared in the depression and the dollar value of the remainder has been cut in half in the last five years, he said.

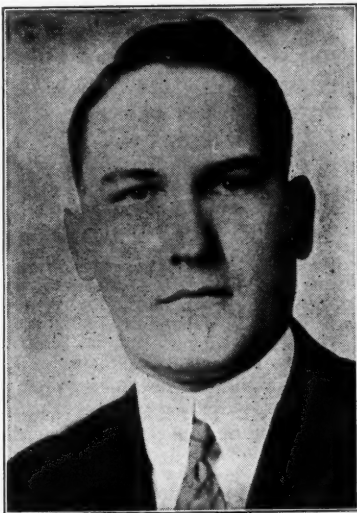
#### Factors in Valuing Life

Human life has an unvarying dollar value, which usually is associated with death, he said. This is a composite value made up of five great things: (1) character; (2) health; (3) investment made in education for future human efficiency; (4) creative ability to do something out of the ordinary; (5) willingness, pertinacity and courage, or, an important objective in life. Life insurance is the capitalization of this value, Dr. Huebner said.

"The word beneficiary is a very poor one," Dr. Huebner went on. "My wife and children do not stand to benefit under my life insurance. They only get in part what they now have. They actually are losers when I pass on; but with my

(CONTINUED ON LAST PAGE)

## Los Angeles Choice for National Trustee Post



JOHN W. YATES

John W. Yates, southern California general agent of the Massachusetts Mutual Life, has been nominated by the Life Underwriters Association of Los Angeles for trustee of the National Association of Life Underwriters. He has been active in association work for many years, having been secretary of the National association in 1932-33 and chairman of the program committee for the Pittsburgh convention in 1932. He has been on the program at various National association meetings and has spoken before many sales congresses and groups of life underwriters through the country. He is a native of Georgia and entered

life insurance in Seattle after the war with the Penn Mutual, and in a short time he was appointed assistant general agent. After a year's experience he was placed in charge of the life department of the W. A. Alexander & Co. agency in Chicago. At the age of 28 he was appointed general agent of the Massachusetts Mutual in Detroit, building its annual production to \$12,000,000 a year. In April, 1933, he was transferred to Los Angeles, and has been active in association work there. He served as president of the Detroit association and also as president of the Detroit Managers' Association.

## Hearing on Insurance Code for Illinois Is Expected

Codification of the insurance laws of Illinois has been getting the attention of insurance lawyers. The legislature named a committee to consider the work and called upon Director of Insurance Palmer to submit a proposal. Mr. Palmer invited the insurance lawyers to offer their ideas. It is understood that the work is fairly well along and that a hearing on a preliminary draft may be held at Springfield in September.

Insurance lawyers do not seem to feel that the substance of the law needs much change. However, the present law is a hodge podge of various acts and there is a very great need of organizing the various provisions into a consistent and logical form.

## Nebraska Loans Increase

LINCOLN, NEB., Aug. 9.—Slight increases in demand for policy loans are reported by Nebraska life companies, due to the tightening up of financial conditions in this state as a result of the drought. For the last year most of the companies have had few demands of this character.

## "Enmeshed"

From the weekly bulletin of one of our Agencies we take this reminder that we should at all times be conscious of the "sacred mission of life insurance," and not permit the mechanism of our work to blind us to its splendor. This was said:—

Home Office authorities say that hardly a claim is received which is not accompanied by a letter saying that the beneficiaries have not enough funds on hand to last even three or four weeks. What an impressive reminder that we are selling the one thing that practically everybody needs yet doesn't want to buy! With what lightning-like rapidity the attitude of the family towards life insurance changes when death pays an unannounced visit. It is easy to become so enmeshed in the machinery of life insurance, that we forget the sacred mission of life insurance.

We are spending our lives in the most worthwhile of all commercial endeavors, and so can take to the road fearlessly, rendering honest service and enjoying the consciousness that we are not living in vain.

## THE PENN MUTUAL LIFE INSURANCE CO.

WM. A. LAW, President

Independence Square

Philadelphia

## California Assessment Life Law Needs Change: Mitchell

### MORE PROTECTION TO PUBLIC

Commissioner Reports to Governor Department's Powers Should Be Defined to End Evils

California's insurance laws need considerable strengthening particularly as regards assessment life associations, in the opinion of Commissioner Mitchell, given in a report to Governor Merriam. "The increased appreciation of life insurance protection developed during the decade after the war, coupled with restricted incomes in the recent period has created an increased demand upon the regular companies for the cheaper, less permanent forms of term insurance and increased the opportunities for those concerns offering various forms of assessment insurance," Mr. Mitchell said. In particular there were formed many associations claiming to operate under section 452f of the civil code and to be exempt from the jurisdiction of this office.

#### Advertised Outside State

"They advertised extensively beyond our borders, and brought much question and criticism of California insurance laws and practices from those who remembered the disappointments suffered by those who in the '80's and '90's placed their insurance in the 'Keep your reserve in your pocket' fraternal orders. Some were so outspoken as to characterize such organizations as 'rackets'." Recently one group has been indicted by the federal grand jury in Los Angeles county for misuse of the mails, he said.

The attorney-general rendered an opinion under which few of these 'associations' could qualify. Injunction proceedings were started against Mitchell without success.

"This will afford some help for the poorer class of our citizens," he said, "but even yet it appears that the provisions of our laws relating to assessment life insurance do not afford adequate protection for those trying to provide insurance for their families in this way. The law should be strengthened to prevent the taking of risks without proper investigation and the later use of the defense of breach of warranty to defeat the claim, an all too common practice; to require prompt and regular levying of assessments to meet claims and prevent stalling off of claimants or paying in dribbles, and to assure that the associations shall be honestly conducted in the interests of their members."

#### Requires Monthly Reports

In particular, he said, the powers and duties of his office with regards to such insurance organizations should be made plain. There is grave doubt what, if anything, the department can do when a "Chapter IV" association fails to levy assessments, allows claims to accumulate for a year or more, as at present, or the management makes a general agency arrangement contract under which the corporation pays as much as 15 percent of premium income to a corporation composed of its officers.

Commissioner Mitchell is using his "discretionary powers" and compelling such organizations to levy assessments and report to the department monthly. In this way he believes accumulated unpaid losses will gradually be reduced over a period of years. While some associations insist Mitchell does not have legal authority for this action, most of them have accepted his ultimatum and are endeavoring to comply with the demand.

#### Killed in Auto Crash

W. C. Williams, until recently assistant manager of the Metropolitan Life at Cincinnati and Hamilton, O., was fatally injured in an auto crash in Dallas.

## Sees Recovery Under Way

W. A. Law, President Penn Mutual, Tells Basis for Belief That Conditions Are Definitely Improved

PHILADELPHIA, Aug. 9.—W. A. Law, president Penn Mutual Life, believes the United States is definitely on the road to recovery.

He does not believe that this recovery will be an overnight affair, where the country will awake some morning to find prosperity here once more. Rather, he believes it will be a case of slow gains interspersed with slight recessions.

"We will go ahead so far," he said, "and then drop back a little. The next time we will go ahead a little farther, and so on until recovery is finally here."

Before becoming head of the Penn Mutual about 12 years ago, Mr. Law was president of one of Philadelphia's leading banks. His experience in the financial world has trained him in analyzing conditions and to look for simpler signs that are indicative of the situation.

### Gives Basis for Relief

"I do not base my belief merely on the fact that car loadings are greater or the consumption of electric power has increased," he said, "but on these facts:

"Our mortgage men inform me that vacant houses are at a premium and that the public appears willing to pay higher rents.

"Country clubs, which had many resignations in recent years, are having many of those members return. I venture to say that about 50 percent of those who resigned their country club memberships have returned to the clubs this year.

"Cotton today is selling around 13 to 15 cents a pound. Last year it sold for 6½ cents. That difference in price is the difference between poverty and affluence for cotton growers and the

southern people. In addition, many other agricultural commodities are higher today and some rural communities—not all of them—have more money to spend."

Mr. Law was asked whether the new federal securities act would have any effect on the investment situation. He replied that that is difficult to answer now and will be until the new securities commission makes known what attitude it will take.

"However," he said, "houses dealing in investment securities tell me they believe that they can make money under the law."

Mr. Law said that there is no demand for loans at this time because of a feeling of uncertainty.

"How long will that uncertainty last?" he was asked.

"I do not know," he replied. "I am no prophet. I am on the board of several banks. We have cash piled up but no one wants to borrow any money. People seem to be getting along with what they have until this condition passes. They are using what money they have to pay off their debts and saving money on the interest they would have paid. Last year our policy loans amounted to \$100,000,000. Today they are \$91,000,000. People are paying off those loans with cash in many instances."

"There is one thing I am afraid of, and that is that another campaign of fear—that the country is going to the bow-wows—will be started. Nothing is farther from the truth. The country is recovering but a campaign of that nature would be exceedingly harmful."

## Insurance Buyers Analyzed

ST. LOUIS, Aug. 9.—The gradual improvement in general business conditions that has taken place in the past year is reflected in a survey of insurance buyers made during June by the American Service Bureau. Of the 10,164 persons whose applications were analyzed in June, 66 percent were new buyers of insurance, while only 7 percent had other insurance in the company to which the application was submitted. The remaining 27 percent had insurance in other companies prior to making the new application. The average application was for \$1,858 and the

average amount already carried \$4,066.

While the average size of new policies applied for included among the 10,164 applications studied in June is somewhat lower than either the average in the survey a year ago or six months ago, this is largely due to the smaller number of large policies among the executive classes. It is significant that the companies that had the highest number of former policyholders among their applicants for new insurance this June, also showed a higher average application.

Figures by classes follow:

	June, 1934				
	June, 1934	June, 1933	Dec., 1933	New Buyers	Aver. App.
Manufacturing	747	615	648	450	\$1,911
Government	444	364	350	299	2,041
Building Trades	224	201	169	...	1,742
Housewives	1,053	1,128	1,037	861	1,101
Farmers-Ranchers	1,034	1,039	1,135	824	1,704
Students	948	1,122	1,027	859	1,114
Teachers	213	227	249	...	1,793
Oil Producers	147	160	200	...	2,252
Auto Sales Agencies	106	104	57	...	3,524
Public Utility	130	113	120	...	...
Railroad	123	202	129	...	...
Ins. Agents	192	157	242	...	4,096
					8,199

## Birmingham Boosts Ogle for National Trusteeship

In response to the request of the nominating committee of the National Association of Life Underwriters for suggestions from the various local associations, the Birmingham Association of Life Underwriters has launched a campaign in behalf of J. Orlando Ogle for trustee. The Birmingham association has attained national prominence for its membership gains in recent years and it is therefore eager to have representation on the national board of trustees.

Mr. Ogle is district manager for the Pan-American Life in Birmingham. He

was born in Georgia and graduated from Howard College in Birmingham. He taught school two years and then entered the life insurance business eight years ago. He was connected with the Jefferson Standard Life for five years. In 1932-33 he was membership chairman of the Birmingham association and won the National association cup for the largest percentage of membership increase. He also served in that capacity as well as serving as treasurer, in 1933-34. He was general chairman of financial independence week activities in Birmingham. He is now vice-president of the association and a member of the board. He is chairman of national membership of the sixth division, which shows an increase of 183 percent.

## Plan of Social Insurance Proposed by D. T. Winder

EMBODIES NOVEL FEATURES

Scheme of Chicago Fraternalist Would Utilize U. S. Postoffice as Collection Agency

Donald T. Winder of Chicago, who was formerly in charge of the fraternal branch of the Illinois insurance department, and for the last year or so has been specializing in legal and other service for fraternal organizations, has proposed to the federal administration a plan for social insurance. Mr. Winder has submitted his plan to a number of the large life companies and has received interesting criticism from them.

### Suggests "Dollar Insurance Plan"

He suggests that a dollar insurance plan be adopted with premiums payable through a central collection agency such as the United States post office. He states the plan embodies some of the features of the present ordinary, group and industrial plans. Insurance coverage, he said, should be regular reserve life insurance based upon the American experience table with not to exceed a 3 percent interest assumption. The premium would be \$1 a month and all dividends to accumulate. The benefits payable would depend upon age at application, type of policy and total amount of premium paid with accumulated dividends. All policies would have an old age security clause providing for installment payments of \$25 for each \$1 monthly premium per month until the cash value of the policy is exhausted. This, he points out, would give a person age 20, taking a \$2 policy, a deferred life annuity of \$300 per year, which is the figure that has been suggested for an American minimum for social insurance.

### Deduction of Premiums

With the post office department as the central collection agency, Mr. Winder points out that power of attorney can be given to postal savings and savings banks to deduct premiums for deposit monthly and remit to the local postmaster. Employers could deduct premiums from wages or salaries and remit to the postmaster. It would be reasonable and convenient for the employer to deduct the \$1 insurance premiums and remit, for example, \$789 to the postmaster to cover policies on an attached list. This list, clearing through Washington, might allocate premiums to 141 different insurance companies and 16 different fraternal and cover 450 policyholders. Thus insurance would be written, kept in force and benefits disbursed by private insurance institutions, he points out.

Premium payments to the post office could be deemed payments to the home office and the postmaster and other postal employees should not be considered as agents for either the assured or the insurer, nor should they be agents for service of process. A government charge of 5 cents per month could be made for collection charges. Possibly, however, this expense could be made a state contribution to social insurance. All policies could have a code number so as to identify the insurer, insured and type of policy, using the perforated tabulating and sorting system.

### Promotion of Plan

Mr. Winder contends that social insurance can be promoted with propaganda, comparable to the Liberty Loan drive.

"The demand for social insurance," he states, "is a challenge to the institution of life insurance to devise some method to maintain American individualism and avoid the devastating effect of state contributions for old age security."

He points out that under the plan proposed by him, competition among

## Killing of Gunwoman by Officers Called Accident

DALLAS, Aug. 9.—The death of the notorious Bonnie Parker, southwestern gunman who was shot to death with her companion, Clyde Barrow, by officers in Louisiana some weeks ago, was an accident. Her mother so contends in a suit against the National Life & Accident. Bonnie was riddled with some 40 bullets as she reached for a gun when she and Barrow were ordered to stop their car and surrender. The company paid the face value but the policy provided for double indemnity in case of death by accident and the mother says the killing of the gunman by the officers was an accident.

## No Assessment Associations Allowed in Alabama: Greer

Life insurance associations operating on the assessment plan are not permitted to operate in Alabama, Superintendent Greer announces, "because their plan of operation generally speaking is fundamentally unsound. During this period of economic depression, numerous assessment associations have been formed in other states. Generally they are not qualified according to the insurance laws of the home state. Generally they are financially irresponsible."

"It is worse than foolish for citizens of this state to buy insurance from them. Beware of them or be disappointed."

"For three-quarters of a century this plan of insurance has been repeatedly tried in the United States. It never has permanently succeeded and it is not reasonable to hope that it ever will succeed, unless the officers of such associations have the power to change human nature."

How these associations operate and the reasons why, in his judgment, they ultimately fail, are set out in detail in his statement.

## Sues for Cumulative Dividends

LINCOLN, NEB., Aug. 9.—E. C. Bigger, who holds one of the \$5,000 foundation policies issued by the Equity Life of Omaha, merged in 1931 with the Union Pacific Life, has brought suit for himself and others in like circumstances against the Service Life of Omaha, successor to the Union Pacific, for an accounting to compel allocation and payment of cumulative dividends. He says only 11 of these policies are now in existence, and that insurance department records show that over \$400,000 should have been distributed to them, whereas all he has received has been \$269 in cash and \$150 in Equity Life stock.

existing insurers is not destroyed. Present insurance in force is not affected and this could be converted to the dollar plan. There would be facility in collecting and paying premiums. Group insurance would be transferable. It would be adaptable to a transferable pension plan, regardless of occupation or geography. It would be adaptable to a solitary employee or to many, to low paid wage earners or large salaried persons. Present practices of medical or non-medical examinations could prevail. It combines life insurance with a deferred annuity. The premium buys more insurance than industrial because of lower overhead. Much of it would be subject to employers' contributions to premiums. The instalment paying periods would be convenient as against annual or weekly. The 5 cent collection charge being indirect, the assured would not be conscious of any cost of remitting premium.

He contends it is understandable insurance, the idea of government guarantee is engendered and it represents life savings for the policyholder and only becomes life insurance when he dies. It would tend to forestall government social insurance.



## Limits on Investment Policies

A number of companies recently have sharply restricted limits and underwriting rules regarding the so-called "investment" contracts.

Some of the companies that have taken this step, with their present limits on these contracts are:

**Aetna Life**—Single premium life and endowment issue limited to \$50,000 premium, including cash value of any single premium contract already issued and in force in Aetna, and not more than \$25,000 to be in single premium endowment running less than 20 years. Single premium immediate, refund and cash refund annuities limited to \$50,000 premium on any one life in any consecutive 12 months. Single premium combined life and annuity, limit \$25,000 of insurance. Not issued on ages over 70 and only on participating basis. Premium prepayment calculated on 3 percent discount rate instead of 3½ percent for-

merly and 4 percent originally. Single premium endowment rates somewhat increased.

**Canada Life**—Limit total of \$50,000 single premium annuities or life policies; no limits previously.

**Columbian National**—Accepts no business on single premium endowment form where term is less than ten years. Limit on single premium endowment for ten years and over, and on single premium life policies, is \$20,000 single premium from any one individual. Limit on single premium annuities accepted from any one individual is \$20,000 premium.

**Connecticut Mutual**—Limit single premium annuities \$100,000 in any one year, \$250,000 on any one life; limit single premium life and annuity combination not over \$350,000 total, not over \$105,000 in any one year; no change on single premium life.

**Connecticut General**—No change as

yet; single premium life and annuity combination limit \$100,000.

**Equitable of New York**—No change officially but committee considering course of action.

**Federal Life**—Discount on premiums paid in advance 3½ percent, no excess credit.

**Fidelity Mutual**—Effective Aug. 1 discount on premiums paid in advance 3½ percent instead of 4 percent. Individual consideration where premiums over \$10,000 are involved; using same underwriting on retirement income contracts as on life business.

**John Hancock**—Limit \$100,000 single premium annuity and combination life and annuity (change made about a year ago).

**Lincoln National**—Limit single premium immediate annuity \$25,000 in premiums any one year; reserves right to pay cash value under settlement option over seven years where cash value is \$5,000 or more; effective Sept. 1.

**Massachusetts Mutual**—No action as yet; will not accept single premium five-year endowment from brokers.

**Minnesota Mutual**—4½ percent dis-

count rate on premiums paid in advance instead of 4½ percent.

**New England Mutual**—Limit of \$50,000 on single premium annuity.

**New York Life**—Limit \$100,000 for single premium life, single premium annuity or single premium combination life and annuity.

**Provident Mutual**—Not accepting single premium annuities from brokers; general agents must make statement to this effect. Limit combination annuity and life \$10,800 premium; limit for single premium life policy one-half of former sliding scale; limit single premium annuity to \$500 monthly income. Single premium refund annuity of not more than \$10,000 premium considered on one life; limits prepayment of premiums not over ten years.

**Reliance Life**—\$50,000 limit on single premium annuity. Deferred annuity withdrawn.

**Travelers**—Elective and cash refund annuities, cash value payments restricted to 16 percent annually for seven years; at death of annuitant, excess of cash value over income already paid is payable in one sum.

## Seventy-one Years in business

*John Hancock*  
MUTUAL  
**LIFE INSURANCE COMPANY**  
OF BOSTON, MASSACHUSETTS

**Complete Life Insurance Service**  
**At All Times An Anchor of Safety**

As of December 31, 1933

Assets . . . . .	\$655,664,366
Reserve for all Liabilities . . . . .	596,510,765
Contingency Reserve . . . . .	15,000,000
General Safety Fund . . . . .	44,153,600

## Hospitalization Insurance Forms and Rates Discussed

### COMMITTEE IN FIRST SESSION

#### Comparison Is Made of Insurance Company Plans and Those Offered by Hospital Groups

The special committee of the Health & Accident Underwriters Conference which was authorized to work out further details of the plan for writing hospitalization insurance, endorsed by the conference at its recent annual meeting, held its first session in Chicago Monday. The committee is composed of executives of Chicago companies and one or more representatives of five of those companies were in attendance, together with Harold R. Gordon, executive secretary of the conference.

A difference of opinion developed as to whether the coverage provided should be on an allocated basis, with specified limits for hospital room, operating room and other expenses incident to hospital confinement, or whether there should be merely a per diem limit, applicable to all such expenses. It was decided that

C. O. Pauley, secretary Great Northern Life, should draft a form for the proposed hospital supplement, based on that now used by his company, which puts the coverage on a lump sum per day basis, and Mr. Gordon based another on the tentative form presented at the conference meeting, providing for allocation of expense. These will be taken up for consideration at another meeting to be held in a week or ten days.

The committee also had difficulty in agreeing on a proper rate for the coverage, which will likewise be considered at that meeting.

#### TWO PLANS ARE COMPARED

NEW YORK, Aug. 9.—Entry of group writing companies into the hospitalization insurance field has brought up comparisons of such plans with those offered by hospitals or groups of hospitals, the particular advantages of each system, and whether the presumably greater actuarial and financial resources of the insurance companies do not give them the same superiority over private plans as the group pensions underwritten by life companies have over the ordinary pension system.

As to financial stability, most of the hospital-operated plans seem perfectly sound. Such a system is a one-year

term proposition. The hospital or group of hospitals commits itself to no distant future obligations. It promises benefits in kind rather than in cash, so that even if it should lose money in any given year, the loss will not be so heavy as if it had to pay out cash in the amount of the hospital benefits it provides. The hospital-operated plan has had considerable experience and there are a number of successful examples of such plans.

#### No Great Conflict in Plans

Hospital-operated plans and insurance company plans do not conflict so much as might be supposed. The hospital plan provides more or less complete hospital care for a fairly limited period, usually up to about 21 days, sometimes with a discount where the limit is exceeded. The insurance company plans pay up to \$3 a day toward the insured's hospital expenses up to 10 weeks, also special operating room and anaesthetic charges up to \$15 in any one year.

The \$3 benefit is not expected to cover the entire hospitalization expense, but the companies want to keep the benefit down to a figure which will curb adverse selection. On the other hand, the insurance benefit is payable no matter where the insured might happen to be when he needed treatment, whereas the hospital-operated plan applies only

at the hospital issuing the policy or at other hospitals allied with it in the insurance plan. The longer period during which the life company benefit is paid is also a feature not found in the hospital plan.

While the hospital-operated plan theoretically requires no building up of reserves, since it is one-year term obligation, actuaries believe it would be sound practice for such systems to build up reserves against the possibility of epidemics or disasters, so that there would not be too heavy a drain on their facilities during any given year.

## Metropolitan Finds Death Rate Is Slightly Higher

The Metropolitan Life, in its quarterly survey of health conditions in the nation, as reflected by the experience with industrial policyholders, finds a slight increase in the death rate for the first six months of this year as compared with the first six months of last year. The statisticians state, however, that the difference may be due to the rise in the average age of policyholders.

The country's death rate is still low, the experience in the first six months having been bettered only in 1930, 1932 and 1933. In Canada the experience for the first six months of this year was identical with the same period last year, during which a record low was established.

The margin between the death rate for the first six months of this year and the same period last year was only 2.9 percent. At the end of May the difference was 4.4 percent, but a splendid record in June brought the experience down.

The mortality rate for diphtheria, tuberculosis and puerperal diseases were the lowest ever recorded for the first half of any year. There was a rise of 15 percent in the pneumonia death rate. This reverses the downward trend which started in 1929. A surprising fact was that the pneumonia death rate went up when the influenza death rate dropped nearly 50 percent from last year's figures. There were fewer suicides and homicides, but more deaths from accidents, particularly from automobile injuries.

#### More California Indictments

A new batch of indictments has been returned in Los Angeles by a United States grand jury in the campaign there to halt the operations of operators of assessment concerns, who have been flooding the country with soliciting literature. The latest to be indicted are M. D. King, and C. L. King, the former is president and the latter vice-president of several concerns, among them being the Interstate Life Association, American Life Association, All-American Association, Master Life Insurance and Great States Life Association. The indictments allege that the principal misrepresentation was the promise to the "prospect that \$1,000 would be paid for death from any cause without question." Death claims are reported to have been avoided on technical grounds. H. J. Heuerman and M. T. Emanuel, other officers, are expected to surrender.

#### To Enforce License Law

TOPEKA, KAN., Aug. 9.—The action of the Kansas supreme court in upholding the Kansas agents' qualification law is expected to have a salutary effect on life agents, who are frequently found "skating on thin ice" in the insurance business. Commissioner C. F. Hobbs has sent a notice of the decision to all of the companies and asked them to advise their agents of the court ruling and that the state is prepared to enforce the law whenever violations are called to the attention of the department.

# Facts that Speak

## THE COMPANY

### Its Purpose

THE INDIANAPOLIS LIFE INSURANCE COMPANY WAS ORGANIZED IN 1905 as an OLD LINE, LEGAL RESERVE, MUTUAL COMPANY. Savings and profits belong to Policyholders. Our motto is HOW WELL may be serve, rather than HOW MANY, and always SAFETY FIRST.

### Its Management

The management of the Company has always received the highest commendation of Policyholders, insurance officials, and the public generally. Its officers are all men of long and seasoned experience.

### Mortality Favorable—Expenses Low

The average mortality of the Indianapolis Life, since its organization, has been only 41.6% of the expected. Prudent economy, an adequate but inexpensive Home Office, modest salaries and conservative management throughout have resulted in a very low expense ratio.

### Splendid Record

The assets of the Indianapolis Life have INCREASED EVERY YEAR. During the depression years of 1930 to 1934, assets increased 27.1%. During this same period, the Company paid \$6,422,810.59 to Policyholders and Beneficiaries.

## POLICIES FOR ANY MEMBER OF THE FAMILY

The Indianapolis Life through its wide scope of policy contracts is equipped to provide for all the needs of any member of the family, whether it is for a Child's Endowment, a Family Protection Plan, a Retirement Income, a Business Insurance Plan, or an Annuity.

# INDIANAPOLIS LIFE INSURANCE CO.

Indianapolis, Indiana

Agency opportunities in Indiana, Illinois, Ohio, Michigan, Minnesota, Texas, Iowa, California, North Carolina and Florida

EDWARD B. RAUB, President

JAMES R. MAYFIELD, Agency Manager

## STRONG FINANCIAL POSITION

Current income has constantly been more than sufficient to meet all obligations. It has not been necessary to sell any securities for ready cash nor to borrow any money. On the contrary the Company has been investing in Government and other highest grade bonds for liquid purposes and making first mortgage loans on real estate for permanent investments. The Company's cash reserves and liquid assets are larger today than ever before.

## CONTINUED PROGRESS

### Summary for first six months 1934

PAID BUSINESS 34.8% ahead of first six months 1933.

INCREASE IN INSURANCE IN FORCE, bringing total up to \$94,568,490.00.

INCREASE IN ASSETS of \$409,652.64, which is more than double the gain made first six months of 1933, making total assets \$15,673,948.14.

GOVERNMENT BONDS and CASH ON HAND INCREASED 33.8% since January 1st.

SURPLUS INCREASED 9%.

MORTALITY CONTINUES LOW.

AN INCREASE in number of new men and in total number of men writing business.



## Production for July and Year Ahead

**Provident Life & Accident**—Reports best July for life insurance production since 1930. Business received 72 percent ahead of a year ago and paid-for business 67 percent greater. Insurance in force gained more than \$6,000,000 the first six months. July showed 11 percent increase over June.

**Bankers Life, Iowa**—Agents honored their newly appointed superintendent of agencies, W. F. Winterble, in July with new business production that showed substantial gain over July, 1933, and a gain for the year to Aug. 1. Mr. Winterble, for many years agency manager in Madison, Wis., took his new post in June. The Bankers Life new business for seven months exceeds \$32,000,000, an increase of 13 percent.

**Pacific Mutual Life**—Paid-for new business for the half-year, \$27,574,000, a gain of 45.5 percent; accident and health premiums, showed increase of 49.5 percent; annuity premiums, \$1,193,261, gain of 28 percent; new paid life business in June, 76 percent ahead.

**American National**—Ordinary department production in June 108 percent greater than in June, 1933; average production per agent in June 84 percent greater; number of agents producing 61 percent greater. Ordinary production first six months increased over 60 percent. Total business, of both ordinary and industrial in force June 30, was \$513,999,778, compared with \$486,962,452 on Jan. 1, or an increase of \$27,037,326.

**Wootton & Addison**, Baltimore agency Penn Mutual—Increase in new business for first six months 72 percent. Substantial increase every month this year. April gain was high mark, 156 percent. Nine agents won trips to the company's convention at Swampscott, Mass., where as only two won honor in 1933.

**National Life**, Des Moines—Introduction of the "35th Anniversary Special" featured the four months celebration of the approaching 35th anniversary. A special drive is being held in August. For the seventh consecutive month the company showed increase in business over 1933, the July gain being 87 percent.

**American Life**, Detroit—New business for half year \$2,543,993, increase of 300 percent over 1933.

**Security Mutual Life**, Nebraska—Gain of 9.7 percent in income for first half, disbursements down 4.4 percent; assets increased \$100,000.

**Lincoln Liberty Life**—New business half year \$3,806,000, compared with \$3,572,000 last year.

**American Reserve Life**, Omaha—Gain of 67 percent in production for six months, \$100,000 added to assets.

**Acme Life**, Tex.—Best July in history, increase of 25 percent in business for seven months.

**Central States Life**—New paid business first six months, \$2,443,856, against \$2,114,391 in 1933. Insurance in force decreased \$4,537,323; decrease first six months 1933, \$8,267,020.

**Great American Life**, San Antonio—Volume for six months almost 100 percent ahead of same period in 1933. Production in July, "Brand month," \$720,480.

**Cedar Rapids Life**—Decided improvement for six months; June nearly 49 percent ahead.

**American Thrift, Neb.**—New paid business six months, \$415,650 against \$255,380 in 1933; increase in force \$425,140, against \$349,955.

**Ted Dreyer**, Oakland, Cal., Pacific Mutual Life—Gain of \$256,300 in paid business first six months, \$228,000 gain in paid-for annuities and disability insurance.

**J. L. McKnelly**, Spokane, Wash., New York Life—Increase over 100 percent for six months; decrease in applications for loans.

**E. R. Seidel**, Des Moines, Guardian Life—Paid business for half year 49 percent ahead.

**A. P. Johnson**, Detroit, Great-West Life—Paid for \$400,000 of new business in July, bringing the total paid-for business for the first seven months to

\$1,875,000, which is above the 1933 production for that period by a substantial margin.

**John A. Stevenson**, Philadelphia, Penn Mutual Life—July volume \$3,010,484 paid-for. Forty-one members of the agency's Leaders' Club paid for \$1,591,225. W. J. Amos paid for \$159,626, which made him president of the club for the month. Vice-president, for greatest number of lives, was Taylor Glading, with 32.

**A. J. Hill**, San Francisco, State Life of Indiana—More new business was written in the California agency in July than in any other agency of the company. Increase was 25 percent.

**J. C. Benson**, Kansas City, Mo., Union Central Life—Paid business for seven months double that for last year and \$500,000 more than for all of 1933. July shows increase.

**E. W. Snyder**, Cleveland, Massachusetts Mutual—Increase of 75 percent in paid-for business in June and July.

### Raises Rate Scale Slightly

#### Continental Assurance of Chicago Also Puts in Effect Higher Surrender Charge

A general slight advance in rates on practically all forms of life and endowment policies is made by the Continental Assurance of Chicago. Reduction of cash values in the early policy years also becomes effective, due to increase in surrender charge in line with action taken by a large number of leading companies.

The premium rate advance does not apply to the life expectancy term, commercial ordinary life contract, ordinary life with accelerating option nor 20-pay life coupon nor ordinary life coupon forms.

The new rates on four leading forms are:

Age	Ord. Life End. at 85	20-Pay. End. at 85	20-Yr. End.	30 Yr. End.
20.....	\$14.14	\$21.83	\$40.78	\$24.63
21.....	14.48	22.21	40.82	24.72
22.....	14.83	22.60	40.86	24.81
23.....	15.20	23.00	40.89	24.91
24.....	15.58	23.41	40.93	25.01
25.....	15.98	23.84	40.97	25.13
26.....	16.40	24.30	41.02	25.27
27.....	16.85	24.77	41.07	25.40
28.....	17.32	25.26	41.14	25.56
29.....	17.82	25.78	41.22	25.72
30.....	18.34	26.32	41.31	25.91
31.....	18.89	26.87	41.42	26.12
32.....	19.47	27.45	41.55	26.34
33.....	20.08	28.05	41.70	26.59
34.....	20.73	28.67	41.88	26.88
35.....	21.41	29.34	42.09	27.19
36.....	22.14	30.03	42.32	27.52
37.....	22.91	30.74	42.58	27.90
38.....	23.72	31.51	42.87	28.32
39.....	24.58	32.30	43.19	28.78
40.....	25.49	33.14	43.54	29.30
41.....	26.46	34.02	43.94	29.89
42.....	27.49	34.95	44.38	30.58
43.....	28.59	35.92	44.86	31.33
44.....	29.76	36.96	45.39	32.15
45.....	31.00	38.03	45.98	33.04
46.....	32.32	39.20	46.62	34.01
47.....	33.72	40.43	47.34	35.06
48.....	35.24	41.73	48.12	36.20
49.....	36.86	43.12	48.98	37.44
50.....	38.57	44.60	49.92	38.81
51.....	40.41	46.17	50.94	40.53
52.....	42.36	47.84	52.05	42.41
53.....	44.45	49.63	53.26	44.49
54.....	46.68	51.54	54.58	46.70
55.....	49.06	53.59	56.02	49.06
56.....	51.62	55.80	57.57	...
57.....	54.35	58.15	59.27	...
58.....	57.27	60.67	61.11	...
59.....	60.42	63.40	63.13	...
60.....	63.79	66.34	65.37	...
61.....	66.95	69.05	67.88	...
62.....	70.35	72.17	70.72	...
63.....	73.97	75.56	73.97	...
64.....	77.88	79.22	77.72	...
65.....	82.09	82.09	82.09	...

### L. D. Meredith Named Vermont Commissioner

L. Douglass Meredith of Burlington, Vt., has been appointed commissioner of banking and insurance of Vermont to succeed G. H. V. Allen of Fair Haven, who has held the position on a temporary basis since the resignation of Robert C. Clark several months ago.

Mr. Meredith is an educator. For the

# Talking their language

Union Central's advertising in national magazines talks about a man's life insurance problems in his own language, in a simple friendly way.

His immediate need for more protection is suggested by a picture of another family just like his own in the same boat. Then the solution is suggested . . . investigated . . . and adopted . . . by the family in the picture—all in quick, successive flashes.

The result is happiness; and every family who reads about it wants the same happiness. That's why readers of The Saturday Evening Post, Time, Collier's all over the country are interested prospects—when the Union Central representative calls.



"... and it's great to know that, no matter what happens to me, you and Sally are provided for!"

"Let's not discuss that, dear. You said something about the Economic Adjustment Policy being an investment. Tell me more about that."

The  
**UNION CENTRAL**  
Life Insurance Company

CINCINNATI

past seven years he has been assistant professor of economics at the University of Vermont. Before that for two years he was an inspector in economics at Syracuse University. He was educated at Bucknell, Syracuse and Yale Universities receiving a Ph.D. degree at Yale. He served as a member of the Vermont bankers legislative committee in 1932-33. He has contributed frequent articles on financial questions to various journals.

Just before leaving office Mr. Allen issued a ruling bringing to the attention of insurance people that section of the Vermont laws requiring counter-signature by resident agents of policies

in foreign companies. Rubber stamp signatures will not constitute compliance with the law, he states. They must be made manually with pen and ink and where a firm is concerned, the signature of an individual member of the firm must appear.

#### Four New Districts Created

Four new districts with an agency supervisor in charge of each have been established in Texas by the Great Southern Life of Houston. H. B. Hackleman is placed in charge of the Waco district; Ben B. Beasley in charge of Texarkana; L. G. Stewart, Wichita Falls, and E. E. Harris, Tyler.



WHEN YOU NEED it most, life insurance will be ready to serve you: as a credit index, as an emergency reserve fund, as a retirement fund. When your family needs it most, life insurance swings into action for it alone, of all investments, is governed by events and not by time.

**THE MUTUAL BENEFIT**  
LIFE INSURANCE COMPANY  
300 BROADWAY, NEWARK, NEW JERSEY

### THE HOME LIFE INSURANCE COMPANY OF AMERICA

#### PROTECTS THE ENTIRE FAMILY

Home Life agents are equipped to serve every need for life insurance. Modern policies are issued, on both Industrial and Ordinary plans, from birth to 65 next birthday.

A POLICY FOR EVERY PURSE AND PURPOSE

Basil S. Walsh  
PRESIDENT

Joseph L. Durkin  
SECRETARY

John J. Gallagher  
TREASURER

Independence Square

Philadelphia, Penna.

### New Texas Company Has Several Novel Features



FLOYD B. POWELL

The Superior Life, which was started on May 1 of this year and maintained its head office in Dallas until it recently moved to Waco, Tex., is introducing some unusual features. Floyd B. Powell is the president. He was at one time state manager for the Phoenix Mutual Life in Alabama and later was agency supervisor for the Central States Life with headquarters at Dallas. He served as vice-president and director of agencies of the American Standard Life of Alabama which was merged with the American Security Life of Birmingham in 1931 to form the American Life of Alabama.

The Superior Life, according to Mr. Powell, is operating under a plan which provides strict medical examination and a bonus for policyholders who take a semi-annual urinalysis and an annual complete medical examination through the company's chief county examiner. There will also be periodical dental examination, all at the company's expense. If the policyholder fails to comply with these regulations he will be transferred to the non-preferred class. Mr. Powell states a board of medical and dental examiners is being formed under the direction of Dr. Marion M. Brown, chief of the home office medical board.

Mr. Powell states the original assets of the company were to have been \$160,000. With its plan of ownership of the Waco Medical Arts Building, he states that ledger assets combined with gross value of its then real estate holdings would produce assets of more than \$450,000. Real estate will be carried, he states, at only \$200,000. Contributed cash surplus would amount to \$30,000, he declared. The ledger assets now amount to about \$36,000, so the company should show capital \$100,000, surplus \$176,000 and gross assets \$276,000.

The Medical Arts Building is a modern structure, 12 stories high. When entirely rented, the space would return the company gross income of \$60,000 per year, according to Mr. Powell. The building now is only 40 percent rented but the occupancy of the Superior Life may assure the company of 50 percent rental almost immediately, he states. Based on 65 percent rentable space leased, the Superior Life should show a net profit, after reduction for cost of operation, replacements and certain taxes of \$20,000 per year. Therefore, he concludes, when the building is actually thrown into assets of the Superior Life there will be a good net income from the building.

Mr. Powell states the company will operate five departments, each under direction of a specialist. Those departments are savings and insurance, college alumni endowment, "Superior Youth Clubs," endowment savings bonds and

### New England Mutual Survey of Prospects Illuminating

#### SHOWS TYPES THAT BUY NOW

#### Vice-President Hunt Gives Conclusions on Study at Agency Meeting in New York

NEW YORK, Aug. 9.—Significant data on types of prospects buying the bulk of the life insurance today and the sort of insurance the public is interested in were revealed by Vice-president George L. Hunt of the New England Mutual, who addressed a meeting of the Allen & Schmidt agency of that company in New York City.

The New England's survey as to type of prospects was based on replies from agents on 4,900 cases written in the last 60 days. Old policyholders accounted for 1,256 cases for a total of \$6,663,000; referred prospects were 1,870 cases, almost 50 percent more than the old policyholders, but totaled nearly the same in volume, \$6,636,000; cold canvass cases netted 1,636 cases, but the average size case was smaller than either of the first two groups, the total being \$5,400,000.

#### Prepayment Aids Persistency

Some time ago Mr. Hunt became convinced that prepaid business showed a considerably better persistency, and an investigation at that time showed 10 percent better record on this score could be expected where binding receipts were issued. Since then he has strongly urged prepayments and as a result 25 percent of the 4,900 applications were prepaid, whereas two years ago not more than 5 percent of the business could be so classed.

He pointed out the value of improved persistency for the agent in renewals and for the company in acquisition cost, pointing out that a policy must be in force about 10 years before cancellation will not result in loss to the company.

The trend of public interest was shown by returns on some 30,000 questionnaire cards sent out to policyholders since the first of the year. There were 1,696 replies, the item checked oftentimes being that dealing with paying off policy loans, 762 of the replies indicating interest in that problem. Retirement income contracts scored next highest, with 580, while 469 were interested in annuities. The next most frequently checked was that dealing with educational funds for children, the number being 298. Family income contracts interested 261 while 249 wanted to know about limited payment insurance.

#### Like Higher Premium Forms

Mr. Hunt strongly emphasized the significance of the fact that only 183 of those replying evinced any interest in getting cheap insurance. Agents who insist on talking cheap insurance are probably the victims of a fear complex as to their ability to get the prospect's money for the type of insurance he wants and is interested in, seeing that people answering the questionnaire showed an overwhelmingly greater interest in the higher premium forms.

Agents interested in their renewal income will do well to be sure that insurance they sell is on a settlement option basis, since the New England has found that such business is 13 percent more persistent than otherwise. With the 10 percent persistency margin in favor of prepayments, an agent can improve persistency of his business 23 percent over what it would be without these aids, Mr. Hunt said.

life conservation. Others associated with the company are Judge E. C. Street, vice-president and general counsel, R. R. Kay, agency vice-president, W. R. Gary, F. E. Fowler, secretary and building manager, J. B. Powell, assistant secretary.



## Cash Demands Are Lower, General Situation Better

### BUYING STOCKS AND BONDS

#### President Hall of Lincoln National Comments on Rapid Change in Proportion of Securities

Much lessened demands upon life companies for cash are indicated strikingly in the report of President A. F. Hall of the Lincoln National to the shareholders. Book value of bond and stock accounts as of June 30 was \$10,400,000, compared with approximately \$5,300,000 a year ago, thus stock and bonds now represent 11.2 percent of ledger assets compared with 6.3 percent last year.

Mr. Hall said the pace with which this change is taking place is further indicated by the fact that in the last half of July the finance committee committed itself to purchase further high grade securities totaling approximately \$1,250,000. Liquid position as of June 30 was better than at any time in the company's history.

Demands for policy loans and surrenders thus far this year have amounted to approximately half the total for the first half of 1932 and policy loan repayments have been 94 percent greater. Improved economic conditions also are shown in cash premium income per \$1,000 insurance in force, which for the first half of this year was 138 percent of the 1932 figure and 118 percent of the 1933 figure.

#### Surplus Greatly Increases

The Lincoln National after paying dividends and setting up substantial liability for losses on real estate and mortgage loans which the company agreed to sell or refinance through government agencies but which sales and refinancing have not actually been completed, had net increase in surplus for the first half year \$300,295 comparing with a decrease of \$240,385 during the corresponding period of 1933.

Aggressive program for sale of real estate has been pursued and the investment department reorganized so sales can be handled expeditiously. The company has listed all properties held with local real estate agents and is vigorously pushing their sale. Since Jan. 1, 73 properties with book value \$763,491 have been sold, the company sustaining a loss of only \$27,280 or 3.6 percent.

Satisfactory progress is being made in diversifying investments. Through refinancing of mortgages by the HOLC and Federal Farm Mortgage Corporation, repayment of mortgage loans and sale of real estate, combined total of the mortgage loan and real estate account is now \$2,300,000 less than a year ago. Notwithstanding a substantial reduction in total amount of mortgage investments, interest collections on mortgage loans have been \$40,000 greater than collections for the same period last year.

Mr. Hall said even if the Frazier-Lemke bill should be held constitutional he believed only a small percentage of the company's farm loans would be affected, principally because the Lincoln National did not defer making foreclosures and therefore few farm mortgages held by the company are becoming distressed now. In addition, the company has been vigorous in its effort to refinance farm mortgages through the Federal Farm Mortgage Corporation so the total holdings of this class of security after considering commitments are only 6.57 percent of assets.

Cash and marketable securities held increased more than \$4,500,000 since the first of the year.

New business writings continue to show great improvement, total new paid business up to June 30 being 52.8 percent over the corresponding figure last year.

## New Tax Board Ruling on Deductions for Building

WASHINGTON, Aug. 9.—Reversing itself to conform to the decision of the United States Supreme Court in the Independent Life case, the United States board of tax appeals holds that the St. Louis Mutual Life was not entitled to deduct from its 1929 tax return the taxes, expenses and depreciation on the building it owned and occupied, because it had failed to include in gross income the rental value of the space it used. The decision affirmed a deficiency of \$1,127 imposed by the commissioner of internal revenue.

In a decision last December, the board held the company was entitled to the deductions. The commissioner asked for a rehearing, which was granted over the protest of the company.

#### Supreme Court Decision

While the motion of the commissioner was under consideration, the Supreme Court held that in order to secure deductions on buildings owned and in part occupied by them, insurance companies must include as income an amount for rental of the space they used, and the board applied that decision to this case. In accordance with the Supreme Court decision in the Rockford Life case, the board also reversed itself with respect to a deduction for depreciation on furniture and fixtures used in the underwriting department, which it had originally allowed.

## Local Agent Is Candidate For Governor in Ohio

A good many Ohio insurance men are interested in the candidacy of C. Nelson Sparks of Akron, who is seeking the Republican nomination for governor of his state at the Aug. 14 primaries. Mr. Sparks is head of the Akron Agencies, Inc., and is a former mayor of his city. He has been active in behalf of and interested in beneficial insurance legislation and has publicly, in his campaign, stated that if nominated and elected he would appoint an insurance man as commissioner and would consult only the insurance fraternity in that selection.


Mr. Sparks has had an active public life. In addition to serving as mayor of Akron, he was safety director of that city in 1920 and from 1921 to 1927 was postmaster. He has been campaigning on a strong platform.

#### To Handle Debtors Gently


Twenty-two insurance companies have consented to the request of Governor Herring of Iowa not to start foreclosure proceedings against farm debtors until the question first be taken up with the farm debt advisory committee for the county in which the debtor resides. Announcement of this was made by M. L. Bowman, executive chairman Iowa farm debt advisory committee. The companies consenting to the agreement are the Equitable of Iowa, Bankers of Iowa, Yeomen Mutual Life, Central Life of Iowa, National Life of Iowa and Mill Owners Mutual Fire of Iowa. Then there are the Prudential, Metropolitan, New York Life, Provident Mutual Life, Travelers, Mutual Benefit, Lincoln National, Union Central, Northwestern Mutual, Aetna Life, Connecticut General, John Hancock, Franklin Life, Guarantee Mutual, Kansas City Life and Penn Mutual.

#### 20 Register for C. L. U. Course


More than 20 will take the C. L. U. course to be offered this winter in Kansas City by Oliver J. Neibel, supervisor for the J. P. & E. M. Somerville agency of the Penn Mutual Life, according to present registration.



You can measure quickly  
your needs for  
**FUTURE FUNDS**



**THE COMPETITION FOR LEADERSHIP  
GROWS KEENER EVERY YEAR**



**A POLICY ESPECIALLY DESIGNED TO INSURE AN EDUCATION  
FOR YOUR CHILDREN**

FINDING THE  
NEEDS

CLINCHING THE  
NEED

SELLING THE  
POLICY

There are **SIX** Fundamental Measures of the SOUNDNESS and SAFETY of any Life Insurance Company

1. MEN
2. INVESTMENTS
3. GROWTH
4. RESERVES
5. SERVICE
6. REPUTATION

DEMONSTRATING  
SAFETY

## THE NEW N<sup>W</sup>NL SALES PORTFOLIO

OF COURSE YOU CAN SAVE FOR A rainy day

**BUT**  
every savings program has 3 hazards

1. It may not be a safe investment.
2. It may not be a liquid investment.
3. It may not be a profitable investment.

**In other words**  
3 out of 100 investors lose money when they save.

OVERCOMING  
OBJECTIONS

# NOT A CRUTCH— A Tool for Upper Level » » » SELLING

**THE** new N<sup>W</sup>NL Sales Portfolio is not an illustrated sales talk to guide the unskilled salesman through the various steps of a sale, but is instead a portfolio of visual material which the skilled salesman can bring to bear when needed in a sale. Organized to meet the most exacting requirements of the expert—yet logical, straightforward, and simple as A-B-C—this new and improved sales equipment is in a class by itself.

Each agent who is qualified to receive a copy is provided with a manual of instructions describing definitely the method by which the Sales Portfolio is to be used. The Portfolio is organized on a new basis and ties in directly with the selling

procedure outlined in the famous N<sup>W</sup>NL Guide to Successful Life Underwriting.

To receive a copy of the Sales Portfolio a fieldman must be a holder of the N<sup>W</sup>NL Guide to Successful Life Underwriting—and have a satisfactory production record. To be a holder of the Guide, a salesman must first have completed the Company's course, "The Doorway to Life Underwriting," have been with the Company at least three months, and in addition must have fulfilled certain production requirements.

To agents who have familiarized themselves with and applied the principles of upper level selling provided in the N<sup>W</sup>NL Guide, the new Portfolio will be of valuable help.



The N<sup>W</sup>NL Sales Portfolio is the first step, and a very important one, in N<sup>W</sup>NL's 50th year program of intensified effort to enable its salesmen to earn more money in these times, by assisting and equipping them to do a more effective job and to function at a sustained higher level of efficiency.

## NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

O. J. ARNOLD, President

**STRONG ~ Minneapolis, Minn. ~ LIBERAL**



"Quick results are what new men want."

"You're right, that's why the Continental American's training plan is designed to get the beginner into immediate production in the minimum of time."

This Company, in keeping with its originality and progressiveness, offers a training plan that assures early and constant production to new salesmen who are at all adapted to life insurance selling. It is a training plan that produces men who produce.

**CONTINENTAL  
AMERICAN**  
Life Insurance Co.

Wilmington-Delaware

For Agency Matters Address  
D. E. JONES, Vice-President

## Uniformity in Underwriting One Product of Depression

### REACH GENERAL AGREEMENT

Life Company Executive Discusses Effects of Last Five Years, Possibilities of Inflation

Whereas the depression may have had many serious effects upon life insurance, it has been instrumental in bringing much greater uniformity in underwriting than ever before has been attained, according to a midwestern life company executive. The Medical Impairment Study brought out in 1929 served to formulate standards of underwriting practices. At present the companies have no desire to compete on impaired risks. There consequently is much less of the shopping around on borderline and worse cases that one found quite common in the pre-depression era.

Since the chief cause of death in these times is cardio-vascular diseases, the official states, the companies have increased their caution in this respect. They no longer question the value of the most exhaustive heart tests and of blood pressure readings. The latter are considered to be the best single indication of the mortality tendency.

#### Blood Pressure Test Vital

The agreement is fast becoming general that a systolic pressure of 140 points or over, regardless of age, rates the applicant sub-standard, and likewise a diastolic pressure of 95 or over. There has been a very decided tightening in this respect during the depression. The companies greatly discount the plea of "emotional variations" as an explanation for unusual blood pressure preceding or following a more or less normal reading. They even consider the possibility that the propensity of the individual to acquire temporary high pressure as a result of the emotional strain of examination, etc., may be a subtle indication of something much deeper seated which in time may take form as a concrete mortality symptom.

#### Generally Employ Cardiograph

The electro-cardiograph definitely has come into its own, not only for cases involving total insurance of \$300,000 or over but where there is any question regarding the circulatory system in cases down as low as \$2,500.

There has been much comment about the improved mortality experience of the companies in the last year. The upward mortality trend of the last few years seems to have been halted. There has been, however, lapsation of many good risks and persistency of bad ones. The companies to meet this have tightened rules regarding reinstatement of lapses. The business written in the last five years has been much more carefully selected. The results of this policy have been observed in the last year.

#### New Committees Named

Committee appointments for the Life Underwriters' Association of New York for the new year have been announced by President J. M. Fraser. The chairmen are as follows: Banquet, Lester Einstein, Equitable; sales, A. V. Youngman, Mutual Benefit; budget, H. E. Morrow, Penn Mutual; business conduct, E. J. Sisley, Travelers; company relations, K. A. Luther, Aetna Life; educational, J. E. Bragg, Guardian; financial independence week, H. A. Schmidt, New England Mutual; law and legislation, J. S. Myrick, Mutual Life; library, L. A. Whitelaw, Prudential; membership, J. D. Bookstaver, Travelers; planning, Ralph Engelsman, Penn Mutual; public relations, Harris Wofford, Prudential; reception, S. S. Wolfson, Berkshire; speakers, Lloyd Patterson, Massachusetts Mutual; trust company cooperation, W. J. Dunsmore, Equitable.

## Boston General Agent on Convention Program



MANUEL CAMPS, JR.

Manuel Camps, Jr., who is scheduled to deliver an address at the annual meeting of the National Association of Life Underwriters in Milwaukee, has been in charge of the Boston agency of the Penn Mutual Life 21 months. In 19 of those months, the agency registered a gain. He has been a general agent for a total of 64 months, in three cities, and in that time has had 58 monthly plus signs and only six minus signs.

Mr. Camps graduated from Colgate University at Hamilton, N. Y., in 1922 and after three years in a manufacturing business entered life insurance in 1925 as an agent for the Penn Mutual in Utica. Two years later he was made supervisor in that agency and in 1929 he was appointed general agent at Providence for the Penn Mutual. He started from scratch and at the end of three years had 30 full time agents. In 1931 the agency paid for \$2,700,000.

In 1932 Mr. Camps was transferred to Atlanta as general agent. In six months the Atlanta agency paid for \$3,700,000 as compared with \$4,000,000 for the entire previous year. At the end of six months he was transferred to Boston. During the last month of Mr. Camps' regime in Atlanta the agents made a special drive and paid for \$1,250,000, which was the largest single month in the history of that agency, going back 42 years.

## Museum of Equitable Life Relics Is Jubilee Feature

A museum of antiquities and historical relics from the archives of the Equitable Life of New York was one of the interesting features of the diamond jubilee celebration held at the home office of which a gathering of agents from all parts of the country was the main event.

Vice-president W. W. Klingman and Second Vice-president A. G. Borden were supervising the collection of a great many interesting relics, such as the first policy which the Equitable issued, the first death claim, etc. They also collected early pamphlets, bulletins, etc., policies of prominent people issued since the company was organized, including policies on the lives of most of the presidents of the United States during that period.

The unusually interesting museum was located on the 18th floor of the Equitable home office building in New York City. It was one of the important stopping points on tours of the home office in company with special guides.

Among the other features which were shown the visiting agents were the great vault which contains approximately \$1,500,000,000 of securities, the machinery of the issue, underwriting, medical, executive and other departments.

## New Jersey General Agents Find Outlook Discouraging

### MANY CHANGES BEING MADE

Some of the Smaller Offices Are Finding the Road Full of Brambles

NEWARK, Aug. 9.—Life men are beginning to ask, "What is the trouble with New Jersey?" The past year a number of general agents in northern New Jersey have resigned and nearly every one has gone in for either personal production or else become a supervisor.

It is the general opinion here that New Jersey is not the fertile field which home office executives think it is, and although some general agents have added materially to their agency force, others have had difficulty in keeping what men they have.

#### Large Agencies Show Increase

Some of the larger agencies increased their paid-for business the first six months of this year over the same period of 1933 but the smaller agencies have suffered materially from lapsations and a general reduction in agency force. Many men are leaving the field on account of not being able to get business.

New men are being constantly trained but from what can be learned they do not "stick," which has been extremely discouraging to the general agent or manager. The main trouble seems to be that the new men want a "retainer," which 90 percent of the general agents are loath to grant, and those who have granted the request have found themselves "in the red," with no prospects of getting it back.

#### Become New York City Prospects

One drawback is that many prospects who reside in New Jersey are employed in New York City and New York City agents make it their business to call upon them at their homes in the evening, thus taking away from New Jersey agents business which they claim rightfully belongs to them. The New Jersey men very rarely solicit business in New York City, it is claimed, and they feel justified in making a protest against New York agents coming to New Jersey for business.

One general agent started several years ago with a large agency force but gradually it dwindled down to two men, and eventually these two men left the agency. Although the general agent made every effort to obtain new men, he met with little success and the ultimate result was that he resigned to become a personal producer.

#### Two New Assistant Managers

Fred T. Jordan has been appointed assistant manager in the Smith agency of the Connecticut General Life in Philadelphia. He is a graduate of the University of Maine. After several years' teaching experience he became an insurance salesman in Portland, Me. Later he was transferred to Boston where he served ably in agency organization work. He organized the Boston Supervisors Club and was its first president.

Ewart G. Horne has been appointed assistant manager in the Gridley agency of the Connecticut General in Boston. After graduating from Dartmouth he was engaged for several years in engineering and building construction work. Since entering life insurance in 1930 he has consistently paid for an annual production of between \$300,000 and \$400,000. He has been district agent for the Connecticut General in the Merrimack Valley since April of this year.

The Connecticut General also has opened a new district office at 228 Associates building, South Bend, Ind., with C. A. Fletcher as manager. Since 1926 he has been with the mortgage loan department of the Equitable of New York.



## Note Trend from Hordes of Agents

**Younger Managers Feel Business Should Turn Squarely to Careful Selection**

### WOULD SLOW TURNOVER

**Success of J. H. Reese, C. L. U., of Penn Mutual in Philadelphia Is Significant Demonstration**

PHILADELPHIA, Aug. 9.—There is a growing conviction, particularly among some of the younger, forward-looking men in managerial positions, that the life insurance business will do better to turn its face resolutely away from the old system of taking on vast hordes of new agents in the hope that a few will make a success. Instead, each new agent would be taken on only after the most careful analysis of his qualifications showed that he has a good chance of succeeding with the right kind of supervision and instruction, and none would be recruited who failed to measure up to the standard for probable success.

#### Reese Successful With Idea

One of the most successful in putting this plan into practice is J. H. Reese, C. L. U., manager Insurance Trust Associates, a unit of the John A. Stevenson agency of the Penn Mutual Life in Philadelphia. Mr. Reese believes in this principle not only as a matter of fairness to the men he takes on, for he feels a very definite responsibility for his agents' success, but also from a business point of view. He cannot afford to waste his time training and supervising incompetents. He will not take a man unless he is convinced he can make a success of life insurance. Mr. Reese is willing to stand on his own judgment of recruits. Unless he is completely sold on a new man, the fact that the prospective agent might make a success doesn't influence him. He wants a better prospect for success than "maybe."

#### No Turnover in First Year

So carefully did Mr. Reese select his men that in his first year and a half as manager he had no agents' turnover—a situation that was so strange that it seemed contrary to nature and almost a cause for alarm. Since then some of his men have left, but a very small percentage. Except in a couple of cases where he took the men on against his own better judgment, those who left did so not because they were failing in life insurance, but because they had definite promises of higher returns in other fields. It is indicative of his feeling of responsibility toward his men that those who were found unable to succeed in life insurance found other positions through his efforts—and incidentally supplied many excellent leads to new business since then.

Mr. Reese is a strong advocate of disciplinary supervision, from the time a man enters the business until he becomes the leading producer in his agency, and also thereafter.

#### Much Merchandise on Shelves

"The better life insurance producer has considerable merchandise on his shelves which he rarely makes use of," said Mr. Reese. "There are too many underwriters who operate on a basis that would be comparable with a large department store advertising its men's furnishings and expecting that department to carry all the other lines. It would of course reach peak efficiency in selling

men's furnishings, but at the expense of its other departments."

Adequate diversification, he has found, requires training not only in fundamentals but also in details of selling technique, such as approach, motivation, close, etc. It requires a well established and well organized prospecting and record system, which can be expanded to the salesman's need, no matter how his production grows eventually.

#### Matched Sales Presentations

As in the case of golf clubs, Mr. Reese believes the agent should have a "matched set" of sales presentations, which will not only fit into his own personality, but cover the whole field of his possible merchandising activities. He should also have a definite planning system, recognizing that the most logical unit of planning is the week, the day being too short a unit, and the month too long.

The planning sheet is also used as a record sheet, to be turned in at the office. It virtually compels the agent to apply some thought to the nature of the presentation he is going to make even if it be a cold canvass. This sheet provides a geographical distribution of calls according to days of the week, and also breaking down the day's prospects into six classes of prospects.

These classes, as used in Mr. Reese's

office, are A, \$1,000 to \$5,000 policies, income continuation or other package sales; B, \$5,000 to \$20,000, family income type, estate surveys, programming, analysis; C, business insurance; D, salary savings; E, annuities; F, service calls. In this way the agent places the responsibility on himself for keeping up his quota in each class, and eliminates the tendency to concentrate too much on one type of business.

Mr. Reese is also convinced that it would be helpful if there were some standard of recognition of what constitutes a well-organized agent, so that the various underwriters may be made conscious of these standards and organize themselves accordingly, constantly developing their technique and operative methods to lift their production out of the rut into which their living standards in many cases automatically hold them. This problem is particularly true, he says, of the modest producer who suddenly becomes virtually an object of charity when a depression forces his earnings below the minimum which will provide necessities of life.

A strong advocate of a homogeneous working unit, Mr. Reese believes it is unfair to bring into the same group men of unlike backgrounds and capacities and try to grind them through the same mill. Therefore he stresses in his selection of men not only likelihood of success but

also their probable success in fitting into the existing agency organization.

#### Aetna Life Men Relax


S. T. Whatley, agency vice-president Aetna Life, R. S. Edwards, general agent Chicago; Paul Simpson, general agent Indianapolis, and Herbert Flora, general agent Grand Rapids, spent a few days relaxing at Lac du Flambeau, Wis. Mr. Whatley accompanied Mr. Edwards to Chicago, spending a day there.

#### G. H. Campbell Honored

G. H. Campbell of Little Rock, Arkansas general agent Aetna Life, was an honor guest of Aetna officials and representatives at a meeting held in Chicago last week. A silver "Early Bird" plaque was awarded to the Campbell agency for first honors in a nation-wide sales contest held in July. The Campbell agency obtained a total of 205 applications during the month.

"Life Insurance" by Associate Actuary J. B. MacLean of the Mutual Life of New York in its third edition is a revised work because of radical changes in the insurance situation with regard to a number of subjects. This is a most valuable book containing 20 chapters devoted to practical information of life insurance in its various phases. Price \$4, sold by The National Underwriter.

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20—
20

12—

10—

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Securing references from those who have seen the Plan—  
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So the Plan is SELF-CONTAINED.

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Saint Paul

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## THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION, PUBLISHED EVERY FRIDAY

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### The Overflowing Cash Box

IN normal times, the proper balance in assets of individuals and institutions is regarded as one in which ownership of equities, debts and property constitute all but a small percentage of the holdings, the remainder being cash. During the prosperous 1920's, this balance became distorted, because cash was mortified. Possession of more than a negligible amount of cash was regarded as extravagant, because it was not multiplying itself. There was plenty of room to spare in the cash corner.

Then, when the crash came, the balance became distorted in the opposite direction. Individuals and institutions scurried to convert their equities, their ownership of debts and properties into cash and the cash corner was not ample. It became over-crowded, rapidly destroying the worth of equities, debts and property. The conflict became so acute that relief could be afforded in only two ways. The value of property, debts and equities could be reduced to a fraction or cash could be made so plentiful as to relieve the pressure against other assets. The latter course was taken, beginning last year. As a result, cash is no longer at a premium, except to those individuals in distress. Banks and insurance companies are glutted with cash and they are distracted in knowing what to do with their accumulating funds.

Investments are not generally being made, except in government securities, on the part of financial institutions, principally for two reasons. For one thing, there is uncertainty as to the long term prospect of railroads, utilities, real estate and other ventures, in which investments are made. Then there is the fresh

recollection of the cash stringency of 1932 and the early part of 1933. In the back of the minds of corporate investors is undoubtedly the fear that what the people have given, the people may take away. In other words, some contingency may develop that will start a scramble back to the cash corner.

On the second score, we believe corporate investors can be reassured. The currency pump is primed and a steady flow of cash is certain to be poured out through various governmental instrumentalities should an abnormal demand for cash again arise.

On the first score, while it would be reckless to undertake to predict what the future holds, investors might do well to regain a portion of the confidence with which they faced the future in the lurid new era of the 1920's. We certainly do not advocate ignoring the investment lessons of the past, but we believe that the time has come when those lessons can be put into effect, in motion, so to speak, rather than retrospectively, academically and statistically. That is, it would seem, that the time has come to make some carefully selected investments, which offer a decent return, and provide considerable assurance of security on the basis of present known indications. The long term future has never been predictable and although some guesses may be in order, fear of conditions 20 years from today should not paralyze the investor today. The government and other agencies are forcing liquidity, to the point where a normal investment program will have to be embarked on, and we believe that some judicious investing is indicated now.

### All Time Usefully Employed

THE person who has his waking hours occupied in useful pursuits is not in danger of getting into trouble. He is busily engaged, interested in what he is doing, has his mind set on his task and therefore there is not much likelihood of such a one being lured by the siren's song. A person

who is employing his hours in a useful and constructive manner has his thoughts well centered on the task before him. He is traveling along a straight and narrow road, entirely satisfied with the thrill and satisfaction that he will get from trying to achieve.

## PERSONAL SIDE OF BUSINESS

Leon V. Triggs, C. L. U., former general agent Berkshire Life in Chicago who for several years has represented an investors syndicate in Kansas City, has left this connection to return to his old home in Minneapolis, where for years he was a successful personal producer and general agent. He plans to re-enter life insurance there.

J. S. Rodman, 78, formerly district manager for the Northwestern Mutual Life died at his home in Louisville. Funeral services and burial were held in Owensboro, Ky.

Mrs. W. H. Logan, wife of the former president of the Nebraska Association of Life Underwriters, died at her home in Lincoln following an operation. Mr. Logan was recently named general agent of the National Life of Vermont in Omaha, and the family was preparing to remove to that city.

A one-day drive for applications in honor of President C. L. Ayres' birthday Aug. 8 was conducted by the American Life of Detroit. The applications will be presented to Mr. Ayres with a birthday greeting card attached to each agent's business.

Guy A. Reem, general agent State Mutual Life in Detroit, is convalescing in northern Michigan from an emergency appendicitis operation.

G. C. Tudor, general agent Mutual Benefit Life, Winston-Salem, N. C., died there at the age of 57. Mr. Tudor joined the Mutual Benefit in 1904 as district agent at Winston-Salem, under the Raleigh agency. At the close of 1904 he ranked second among Mutual Benefit agents in number of lives paid-for, and for the next two years he led all agents in that respect. For 15 years he had a prominent place on the company's honor rolls for personal production.

He was appointed general agent at Winston-Salem in 1913 and developed an outstanding agency. It covers 47 counties in North Carolina and eight in Virginia. One of his sons is agency supervisor.

Joseph F. Oed, unit supervisor of the Henry K. Schoch general agency of the Aetna Life in Detroit, was seriously injured in an automobile accident, receiving a skull fracture and other injuries.

Kirby Bradley, superintendent of the Western & Southern Life at Huntington, W. Va., died the other day at the age of 37. He had been with the company for over 10 years.

George L. McDonald, 72, Louisville manager of the Phoenix Mutual Life, is in a hospital there with a fracture of the right leg, received when he fell while stepping from his automobile.

James J. Parks, 83, veteran executive of the General American Life, has been presented a beautiful leather bound parchment testimonial volume containing the signatures of 530 men and women, boys and girls employed in the home office.

President James A. Fulton of the Home Life, who has been seriously ill since March, is now rapidly getting back to health. He is spending the summer at the Lido Club, Long Beach, Long Island, N. Y. Here he is recuperating on a delightful ocean shore, walking, being festive in the surf and receiving friends. He has visited his office a few times but will not assume his full duties until the heated season is over. Mr. Fulton contracted some tropical disease, picking up the germ presumably at Havana. He spent some weeks at Johns Hopkins, underwent an operation but his malady was not arrested. A few weeks

ago the germ was isolated and an accurate diagnosis was made. Then when proper treatment was given, his system readily responded. However, he has been in the hands of divers specialists and experts who had him headed in many directions. Mr. Fulton is one of the acknowledged life insurance leaders and his friends rejoice that he has steered his craft back to safe harbor.

Maurice Benson, attorney for the American Life Convention, was married to Miss Ruth Niedringhaus, daughter of Mr. and Mrs. F. H. Niedringhaus of St. Louis in that city at 7 p. m. Aug. 4. The young couple plan to spend their honeymoon in the west. Mr. Benson, whose home is in Granite City, Ill., has been a member of the American Life Convention's legal staff for several years.

Paul S. Nelson, agency manager of the Reliance Mutual Life of Chicago, recently married Elsbeth Thuerer of Baraboo, Wis. They are spending their honeymoon in the west and will return early in August. The agency force has a contest under way in which the company will contribute 50 cents for every \$1,000 paid for business. This money will be used to buy the couple a gift on their return.

F. W. Paris of the William J. Smith agency, Portland, Ore., has been presented for the eighth consecutive year with a gold medal emblematic of membership in the Leaders' Club of the National Life of Vermont. He joined the Portland agency in 1926 and won membership in the Leaders' Club the first year and every year thereafter. He is vice-president of the Life Underwriters Association of Portland.

B. S. Blanton of Charlotte, N. C., state manager there for the Phoenix Mutual Life, completed 20 years' service with the company the other day and was guest of his agency at a luncheon celebrating the event. This closed a month's campaign in his honor, approximately \$500,000 of new business being submitted. Mr. Blanton started as agent, in 1922 was appointed supervisor of agents and the following year made North Carolina manager. He has been active in work of the National Association of Life Underwriters, having served as national executive committeeman for several years, and also was president of the Charlotte association.

The J. P. & E. M. Somerville agency of the Penn Mutual Life in Kansas City celebrated its 30th anniversary by setting up the best six months in its history the first half of 1934. For 30 years the two brothers have acted as general agents of the Penn Mutual in Kansas City. Both have been identified with life insurance practically all of their lives, and the agency is one of the oldest in Kansas City.

For 16 consecutive months the agency has experienced increases over the year before. Last year it had \$1,500,000 over 1932; this year it already has over \$1,000,000 above 1933. The first six months of 1934 it paid for approximately 62 percent more than in the same period a year ago. Of all business written so far this year, 92 percent has been paid for. With a goal of \$5,000,000 for the year, the agency is well ahead of its quota.

Glenn S. Kies, formerly with the Ohio National Life in Lansing, Mich., has been appointed to the staff of the Michigan emergency relief commission in charge of special projects initiated by the FERA. He will supervise the various self-help organizations formed by the unemployed in the state. Mr. Kies won considerable notice a few years ago with his "Michigan plan" for encouraging life insurance education in the pub-



lic schools. He devised a textbook on thrift plans, particularly life insurance, which won praise from state and national underwriter's associations. He headed the state association's education committee for several years and his ideas found such favor with the National Association of Life Underwriters that efforts are being made to develop them with the cooperation of other national organizations interested in thrift education.

B. J. Goodman, who is connected with the W. V. Woody agency of the Equitable Life of New York in Chicago, as an avocation, makes public appearances where he tells French, Finnish and Swedish dialect stories and recites north woods poetry. He is heard frequently over the radio in Chicago. Formerly he was a lumber jobber at Ishpeming, Mich., and like many people in the upper peninsula of Michigan, started mimicking the Swedes, Finns, Cornishmen and other mine and lumber workers. He developed a reputation on this score throughout the upper peninsula and now has a radio following. He is in demand for the staging of convention stunts, wherein he is introduced as an uncle of one of the conventioners from Montreal, and then proceeds to ridicule the proceedings and heap on the insults until someone in the audience is baited.

## NEWS OF THE COMPANIES

### Prudential Pays Huge Sum

**More Than \$157,000,000 on 397,000 Claims Sent Out for Year Ended June 30**

The Prudential paid more than 397,000 claims totaling more than \$157,000,000 in the year ended June 30. Industrial policyholders received more than \$65,000,000, ordinary policyholders over \$83,000,000 and intermediate policyholders, more than \$9,000,000.

The Prudential handled more than 1,594 claims a day for each working day in the year. There were 16,014 claims totaling \$6,140,238 paid on policies less than a year in force. At the end of the fiscal year the Prudential was remitting monthly income checks to beneficiaries of ordinary policies for a total of \$273,624 a month.

#### Results in Ordinary Field

In the ordinary field, death claims paid totaled \$57,738,187, matured endowments paid \$12,180,943, annuities \$2,776,856, accidental death benefits \$2,165,792, and disability payments \$8,302,230.

In the industrial class, death claims totaled \$46,127,579, matured endowment \$6,701,744, paid up additions which increased payments at death of maturity without extra cost to policyholders, \$8,686,176; accidental death benefits in addition to face of policy, \$2,372,237, and disability payments for loss of sight or loss of hands or feet \$1,388,270.

In the intermediate bracket, death claims paid totaled \$8,003,979, accidental death benefits \$706,244 and disability payments \$293,904.

Since the Prudential commenced business it has paid more than 6,500,000 death claims.

### Bidders for Peoria Life Amend Their Proposals

Amendments to the proposals of a number of bidders for the business of the defunct Peoria Life have now been submitted to the court. Among the bidders that have offered amendments are the United Benefit Life of Omaha, Life & Casualty of Chicago and H. E. Pratt, representing a group of policyholders. The United Benefit offers to put two Peoria citizens on its board and will operate the Peoria Life business from the old home offices of that company. The Life & Casualty expressed willingness to accord representation on its board to Peoria.

J. P. Sullivan of Chicago presented a proposition to furnish term insurance to Peoria Life policyholders and immediately liquidate the reserves of that company.

H. E. Pratt, former state's attorney, amended his proposal to provide for putting up \$300,000 capital to rehabilitate the company's business. This would be new money. The original proposal was to set up a new company with capital and surplus provided from present funds

of the Peoria Life. The new company would later be mutualized.

Mr. Pratt at the same time took occasion to criticize the United Benefit Life, Illinois Bankers Life, Life & Casualty, Abraham Lincoln Life and the proposal of J. B. Wolfenbarger.

E. H. Henning of the law firm of Henning & Baker of Kansas City, representing the Illinois Bankers Life, declares that the statement to the effect that the Illinois Bankers Life would move its home office to Peoria, if awarded the Peoria Life business, is erroneous. The Illinois Bankers Life proposal included the provision that the Illinois Bankers would conduct the business reinsured as a separate unit, to be designated the Peoria Life department, and to operate this department in Peoria.

### Many Gains Are Reported By the Indianapolis Life

The Indianapolis Life is able to report gains in many directions at the end of the first half of this year. Its paid business was 34.8 percent ahead of the first six months of 1933 and there was an increase in insurance in force, bringing the total up to \$94,568,490. There was an increase in assets of \$409,652, making total assets of \$15,673,948. Government bonds and cash increased 33.8 percent since Jan. 1. Surplus increased 9 percent. Mortality continued at a low level and there has been a considerable increase in the agency force.

The company points out that current income has always been more than sufficient to meet all obligations and it has not been necessary to sell any securities for ready cash nor to borrow any money. The company's cash reserves and liquid assets are larger today than ever before.

#### Franklin Life's New Star

J. W. Feldwisch, agent for the Franklin Life in St. Louis, signed a contract with the company Oct. 28 last year and up to June 30, 1934, had paid for \$400,500. This is the largest amount of business produced by a single agent in a similar period of time with one exception in the entire history of the company. He has had no previous life insurance experience.

#### Old Line Half Year Figures

MILWAUKEE, Aug. 9.—New paid for business of the Old Line Life of America for the first six months was \$2,205,000, an increase of 28 percent. Retirement income and annuity contract sales increased 110 percent. Insurance in force July 1 was \$75,359,000. Income increased \$39,682 and disbursements decreased \$166,212. Payments to policyholders and beneficiaries exceeded \$835,000.

Assets July 1 were \$17,991,000, an increase of \$356,777. This includes \$420,000 in cash, \$350,000 in United States bonds, bond investments of over \$2,250,-



## Her Future Is Secured

**S**CRANTON Life offers a wide variety of Adult and Juvenile contracts, with a definite plan of service, and a binding guarantee that either a youngster's future protection or college education is secure. Our Juvenile insurance begins at birth.

No matter what may happen to the payor, all future premiums are guaranteed by the Scranton Life, and all features of the policy continue without interruption.

We have some attractive territory for energetic and intelligent agency men, which we will be glad to discuss—and remember this: "Once a Scranton Life man, always one."

FOR DETAILS ADDRESS

## THE SCRANTON LIFE

SCRANTON, PENNSYLVANIA

Walter P. Stevens, President

BOX 188

## Why These Far-Above-Average Results?

*Pacific Mutual underwriters produced (and paid for) 46% more life insurance in the first half of 1934 than in the first half of 1933. In June, the excess reached 76%. Why?*

**Because . . .**

### WHATEVER THE NEED "THERE'S A PLAN THAT FITS"

"5-way" Life Insurance (it pays disability benefits from the very first day)—Non-Cancellable Disability Income Insurance—Medical Expense Reimbursement Plans—Modern Accident Protection for men and women—Full Lines of Life (participating and non-participating), Retirement Income and Annuity Plans. . . .

*With such equipment Pacific Mutual fieldmen LINE UP WITH RECOVERY. Through such equipment Pacific Mutual life insurance sales are INCREASED.*

**The Pacific Mutual Life Insurance Company OF CALIFORNIA**

Founded 1868

GEORGE I. COCHRAN, PRESIDENT

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Los Angeles, California

Assets  
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# COMMONWEALTH CORDIAL CO-OPERATION

## PROVEN STABILITY... STRENGTH...SECURITY

STABILITY . . . proven by a history of thirty years successful life insurance experience; of capable and efficient management, and steady and consistent growth . . . by having given at all times the fullest protection possible at the fairest cost consistent with safety . . . by having pursued a policy of square-dealing with its policyholders and its agents.

STRENGTH . . . proven by total assets of \$14,860,977.00 (Dec. 31, 1933) the largest in the company's history . . . total insurance in force \$115,048,145.00 a net increase in 1933 of \$2,363,000.00, one of the few companies to show a gain.

SECURITY . . . proven by ratio of \$1.20 in assets for every \$1.00 of liabilities . . . this "protection margin" has been the same for the past 3 years . . . rated "A" excellent.

AGENTS — If interested in representing a company of proven stability, strength and security, write for information regarding our unique contract.

I. Smith Homans, Vice-President

**COMMONWEALTH  
LIFE INSURANCE CO.  
LOUISVILLE, KY**

000 at book or amortized value, with actual market value but 2 percent less; \$2,085,000 in farm mortgages and \$6,840,000 in city mortgages. Farm mortgages are 11.6 percent of the total assets, with city mortgages 38 percent, real estate and contracts for deed 13 percent, and loans to policyholders less than 18 percent. Surplus to policyholders July 1 was \$2,165,000, an increase of \$108,583.

### Jacobs Heads New Company

The Mutual Union Life of Seattle, which is in process of formation, is headed by George M. Jacobs, who holds the C. L. U. designation. The company has been incorporated and is now seeking the necessary 200 applications, which is a condition of receiving a charter. Mr. Jacobs served the First National Life of Tacoma from 1911-15 as vice-president and agency manager. He was then connected with the Northern Life of Seattle for 16 years as inspector of agencies and manager of the agency service department. For the last two years he has been assistant to the president and district supervisor for the Northwestern Life & Accident. Clifford Wiley is vice-president of the company. On the board of trustees are C. A. Andrus of the Seattle city light department; J. J. Bolan, cashier for a Seattle department store; Attorney A. F. Case, G. P. Elworthy, public accountant, Dr. J. S. Lingenfeller, who will be the medical director, Tillie F. Ransdell, real estate and insurance, R. G. Rees of the Rhodes Brothers Company of Seattle; G. H. Suskey of the Pacific Telephone & Telegraph Co.

### Acacia in Temporary Quarters

The Acacia Mutual home office staff is in temporary quarters, having moved out of the old home office building which was sold to the government. The new home office structure is under construction across the street facing the Capitol Plaza.

The executive offices are in 1437 K Street, N. W., where the president, vice-president, treasurer, auditor, branch auditor, comptroller's office, field, legal, and mortgage loan departments are located. The secretarial, actuarial, duplicating, mail-files, policyholder's service and underwriting departments are located in 1320 G street, N. W., the advertising department and District of Columbia branch office in 1624 I street, N. W., the cashier's premium accounting and supply departments and the Acacia Club office in 118 E street, N. W.

### "Loyalty Day" Sets Record

The field force of the Ohio State Life wrote \$469,960 new business July 25, which had been designated as Loyalty Day in commemoration of the company's 28th anniversary. It was the largest single day's business ever written by the company. The Pittsburgh agency, of which A. E. Demilio is manager, led the field, being followed by the Marion, O., agency, E. G. Siefert, manager; the North Carolina agency, of which Cecil Wilson is supervisor, and the Columbus agency, L. A. High, manager. J. C. Mortland of the Marion agency wrote the largest volume of business, while C. F. Walker of the Charleston, W. Va., agency, turned in the largest number of applications.

Paid-for business of the Ohio State Life in July was 68 percent greater than that in July, 1933. Every month in 1934 has shown a pronounced increase.

### Postpone Stockholders' Meet

The meeting of stockholders of the Federal Union Life of Cincinnati to ratify the proposal to reduce capital from \$250,000 to \$100,000 has been postponed until Aug. 16. A meeting was called last week for this purpose but a quorum did not appear.

### McComb Contests Receivership

Efforts of Commissioner Mitchell of California to place the Great Republic

Life in receivership are being vigorously contested by President T. J. McComb, who objects to Mr. Mitchell's plan for reinsurance. It is understood the management has a tentative reinsurance deal with companies not acceptable to Mr. Mitchell, who has been conservator for several months. Mr. McComb, who was active in life insurance in Oklahoma, and his associates obtained control of the Great Republic in 1932.

The demurrer filed by the Great Republic in an effort to forestall receivership has been overruled. Final action of the court has been postponed until about Aug. 13. Commissioner Mitchell contends that in view of actions and demands of the management, receivership is the only way in which policyholders may be adequately protected.

### Report on Royal Union Fund

Total income of the Royal Union fund of the Lincoln National Life for the six months ending May 31, 1934, was \$828,088, according to the first report of the trustees, C. C. Bradley of LeMars, Ia., and J. E. Wooding of Fort Wayne, Ind. The report shows operating disbursements of \$181,314 for the six months, repayment of borrowed funds \$290,118 and

other deductions \$26,528, leaving a net balance of \$330,126.

### Sun Life Results Are Shown

The Sun Life of Canada, reporting on its six months results, shows new paid for business during the period \$112,302,000, as compared with production of \$95,807,000 during the same period last year. There was a decrease in insurance in force for the first six months of this year of \$20,102,000 as compared with \$101,478,000 decrease during the first six months of 1933.

### Shows Gain for Half Year

O. J. Lacy, president California-Western States Life, says that although final figures for the first six months are not yet available, the volume of business produced will show substantial gains in comparison with the similar period of 1933, and that prospects for the second half of 1934 indicate further gains.

### T. D. Leonard Elected Director

T. D. Leonard, Toronto lawyer, has been elected a director of the Continental Life of Toronto, succeeding the late W. A. Denton.

## LIFE AGENCY CHANGES

### Boynton Gets Baltimore Post

Appointment as General Agent of State Mutual Life in That Territory Announced

The State Mutual has appointed J. W. Boynton general agent in Baltimore territory. He has lived in Baltimore since 1926. Mr. Boynton is a graduate of Johns Hopkins University there, where he took a year of post-graduate work.

Mr. Boynton was a noted athlete, who was selected a member of the lacrosse team which represented the United States in the 1928 Olympic games. In college he was also prominent in football, basketball and track. Soon after his graduation he went with the Baltimore banking firm of Alexander Brown & Sons, and in 1930 entered life insurance. He has had a high average personal production and also has done much supervisory work.

### Farrell Named to Succeed Goldstein at San Antonio

The Pacific Mutual Life has appointed D. J. Farrell as general agent at San Antonio, Tex., to fill the vacancy created by the recent death of General Agent E. M. Goldstein. Mr. Farrell was formerly manager at El Paso under the Schwentker agency, prior to which he was located at Albuquerque, where he entered the service of the company in 1915.

R. E. Watts, cashier, who has been in charge of the San Antonio office since the death of Mr. Goldstein, will continue as cashier under Mr. Farrell.

Mr. Farrell, after spending several days at the home office, left for El Paso to arrange for removing his family to San Antonio.

### Opens Minneapolis Branch

The first branch office of the Hercules Life of Chicago, owned and controlled by Sears, Roebuck & Co., has been opened in the Sears, Roebuck building in Minneapolis with George A. Specht of Minneapolis as manager for Minnesota. Mr. Specht has had considerable general insurance experience in Minneapolis and Chicago for a number of years. He also is a lawyer.

### W. B. Snowden Resigns

W. B. Snowden, of Newark, who has served as New Jersey manager of the Pacific Mutual Life for a number of years, has resigned and is succeeded by

T. C. Sherman as acting manager. Mr. Snowden will announce his plans at a later date. He formerly managed the New York and New Jersey offices but for the past year has confined his activities to New Jersey.

### Bryson Loughridge

Bryson Loughridge, founder and first president of the Detroit Supervisors Association, has resigned as assistant manager of the Acacia Mutual home office agency in Washington and has returned to Detroit with the F. M. Smart agency of the Equitable of Iowa. He was formerly assistant manager of the Prudential ordinary agency there.

### N. T. Carson

N. T. Carson has resigned from the home office of the Penn Mutual Life, with which he has been connected for five years, and has gone with the home office agency of the Fidelity Mutual Life in charge of agency training.

### E. P. Nieburg

E. P. Nieburg has assumed his duties as manager for the Guarantee Mutual Life of Omaha in eastern Missouri outside of St. Louis and St. Louis county. H. C. Enns, manager in St. Louis and southern Illinois, reports that his office set new records in July following splendid gains in June.

### E. M. Gossett, Ban Robison

The Occidental Life of Los Angeles has appointed E. M. Gossett general agent at Pasadena, with office at 35 North Broadway. He has represented the company at Phoenix, Ariz., as a member of the general agency firm of Gossett & Smith.

Ban Robison is appointed general agent at Long Beach, Cal., with office at 804 Ocean Center building. He completed the Life Insurance Sales Research Bureau course at its recent school at Santa Barbara. He was formerly with the Massachusetts Mutual Life in Los Angeles.

### Central States Appointments

The Central States Life has appointed these general agents: H. A. Rimer, Blytheville, Ark.; E. B. Roblee, Cape Girardeau, Mo.; Frank Ramey, Rolla, Mo., and R. W. Taylor, Scottsbluff, Neb.

### B. W. Welch, J. W. Talbert

B. W. Welch, agency supervisor of the Connecticut General in Cleveland



for six years, has been appointed manager in Kansas City. J. W. Talbert, who has been associated with Mr. Welch in Cleveland for six years, has been made agency supervisor there.

#### Sherman Babcock

Sherman Babcock has been promoted to superintendent of the Columbus, (O.) No. 1 district of the Prudential in the Huntington Bank building. He succeeds A. M. Kemery, recently retired. Superintendent Babcock's service with the Prudential began in 1922, as an agent in Detroit No. 1 district, where he was promoted to assistant superintendent in 1923.

J. H. Daggett, vice-president Marshall & Isley Bank, Milwaukee, has been elected a director of the Old Line Life to fill the vacancy left by the death of F. X. Bodden.

### Life Agency Notes

A. A. Brovelli, former all-American football star with St. Mary's, has become associated as an agent with the Oakland, Cal., agency of the New World Life, managed by Robert Flackus.

C. D. Curtis of Clarksdale and A. G. Gaine of Meridian, Miss., are newly appointed district managers of the Pan-American Life. They will each have supervision over several counties. Miss B. B. Macfarlane, agency supervisor for Louisiana and Mississippi, made the appointments.

Commissioner Sullivan of Washington has ordered the Provident Benefit Association of Seattle to stop writing business in that state.

## AS SEEN FROM CHICAGO

#### GET FIRST "EARLY BIRD" PLAQUE

Three-day production of 51 applications totaling \$232,000 was submitted at the annual field day of the R. S. Edwards general agency of the Aetna Life in Chicago at the St. Charles Country Club. S. T. Whatley, vice-president in charge of the agency department, attended and presented to the Edwards agency the first of a series of new "Early Bird" plaques for greatest increase over 1933 production in number of applications in the "Early Bird" drive July 2, a rite in which Mr. Whatley took extra pleasure since he formerly was general agent in charge of the Chicago office. A. H. Hiatt, assistant general agent, was toastmaster and Mr. Edwards and E. E. Cammack, actuary and vice-president, were present. Messrs. Whatley and Cammack addressed the agents. The three-day production drive was arranged by the "Big Ten," a group of leaders in the agency which changes monthly, depending upon paid production.

\* \* \*

#### CRAIG AND VAN DYKE PROMOTED

W. T. Craig, manager of the group department in the R. S. Edwards general agency of the Aetna Life in Chicago, has been appointed group supervisor by the Aetna Life in charge of several middle western group and pension departments. He will have headquarters in Chicago. H. A. Van Dyke, who has been manager of the group department in St. Louis for four years, and for three years before that in group work with the Aetna at Milwaukee, becomes group department manager in Chicago. The appointments are effective Sept. 1. Mr. Craig has been in the Aetna's group department seven years starting at Atlanta and then being transferred to the Gordon Campbell agency at Little Rock as manager of the group department. He has been manager in Chicago since early last year. His new territory includes Chicago, Peoria, Ill., South Bend, Ind., Minneapolis, St. Paul, Milwaukee, Fargo, N. D., and Duluth.

\* \* \*

#### HEADS THRIFT PLAN BRANCH

C. E. Lindemann has been appointed general manager of the thrift plan department of the Reliance Mutual Life, Chicago. Mr. Lindemann has had considerable life insurance experience and was for seven years in educational work. He will be assisted by C. L. Hamilton. The company has opened an office at Galesburg, Ill., under H. C. Dotz, general agent.

\* \* \*

#### POLISH OBJECTIONS IN TAX CASE

Counsel for companies operating in Cook county, Ill., against which the county assessor and collector are attempting to levy a personal property tax on an arbitrary value of \$8 per \$1,000 in force, this week were putting the finishing touches to their objections to be filed with the board of tax appeals just as soon as the printed list of assess-

ments is issued. Counsel for the companies have the privilege of filing objections first with the assessor, but probably will go direct to the board. It is expected that the assessor will move for a joint hearing on all cases and the matter will be disposed of by the end of August.

\* \* \*

#### LAMB AGENCY'S BIG INCREASE

The E. E. Lamb agency of the Columbian National Life in Chicago had a 200 percent increase in paid business for July over the same month last year. There was an 150 percent increase for May, June and July. Mr. Lamb assumed his duties May 1. There was a substantial decrease in surrenders and claims for the same period. For the second quarter of the year, renewal premiums went off the books at only one-third the ratio as compared with the first quarter.

\* \* \*

#### TRAINING NEW AGENTS

Although general agents are always ready to add good men to their staffs, there is perhaps a stronger feeling now than ever before that new salesmen have to be selected very carefully and broken into the business under watchful supervision. Otherwise the turnover of the agents is so great that the results do not warrant the expense of the training period.

Several agencies have obtained excellent results through a more careful supervision. A modified industrial plan of agency supervision works very satisfactorily since it is found that the average agent cannot manage himself, but will produce a nice business if his energies and time are wisely directed. Agencies have made good records with old agents under careful supervision and the injection of new blood into the field occasionally.

One agency has attained a much better record this year than last with one-third fewer men through careful supervision of the detached agent and frequent contact by the general agent with him. The latter spends most of his time in the field and visits each agent every two months, personally. He diagnoses the individual agent's case and recommends a remedy which applies to that particular individual. He also gets in touch with the agent's wife. She is sold on the idea of her husband's progress and she makes an excellent assistant manager who is on the job 24 hours a day. This agency has practically eliminated the district manager.

Another agency gives the prospective agent a brief three-day training course in which he is given organized sales talks and some information about the company which he may use if it is necessary. If the agent does not produce \$25,000 the first three months, as a general rule he will not be a success. Most of the men who begin the life business today want to get into production as soon as possible. This manager feels that a prolonged and exhaustive period of education only confuses the



## Life Business From Accident Benefits

The agent who sells accident insurance frequently pays claims and so automatically establishes himself and his company in the confidence of those to whom payments are made.

When such policyholders purchase life insurance they show a strong preference for the agent and the company that have already demonstrated ability and readiness to pay promptly.

For accident rate card describing leading contracts call our local office.

**Connecticut General  
Life Insurance Company**  
Hartford, Conn.

# AMERICAN CENTRAL LIFE

**INSURANCE  
COMPANY**

ESTABLISHED 1899

**INDIANAPOLIS, INDIANA**

●Complete Substandard and automatic Reinsurance facilities embrace so wide a field that prompt policy issuance—regardless of size—is the rule and not the exception.

new man and deters him from producing as soon as he could.

Organized sales talks are used generally. Investigations have shown what are the average results a given talk will produce, and they save considerable time for the new agent who has not had the experience to develop one of his own. One agency uses a dictaphone system to check up on the agent at regular intervals to see if he is covering all of the points he should in his talk.

Careful prospecting is as important a factor as any in the success of the new agent. One manager requires at least 300 names of good prospects be kept in the agent's file. If an agent is new to the city in which he is working, he will have to do some cold canvassing, but the results are not nearly as likely to be successful and an agent has to have an unusual personality to be successful on a cold canvass exclusively.

Annuity business accounts for much of the business being written at the present time, although it is hard to judge just what percentage it constitutes as some of the companies count their annuity business in with the life and some do not. Each company reports its annuity business, if it is reported with the life business, on a different basis. The public is sold on the

safety of funds invested with the life insurance companies, and, as a result, funds ordinarily going through investment channels go to the life insurance companies. This action has been accelerated by the lack of desirable investment flotations other than government issues up to the present. It undoubtedly is somewhat of a problem for the companies at the present time to invest these funds in well seasoned securities which will yield a return sufficient to pay the guaranteed return on annuity business.

#### Speakers at "Ad" Conference

The annual convention of the Insurance Advertising Conference will take place at the Westchester Country Club, Rye, N. Y., the three days beginning Oct. 1.

The program committee, headed by Arthur Fisk of the Prudential, has announced some important speakers, including Albert Haase of the Association of National Advertisers; Merle Thorpe, editor of "Nation's Business," and A. T. Falk, director of research and education Advertising Federation of America.

One of the most interesting speakers will be Edward Ekdahl, administration officer of the national highway study conducted by the Massachusetts Institute of Technology.

## AS SEEN FROM NEW YORK

By R. B. MITCHELL

#### REICHERT AGENCY IN OUTING

The life department of the Louis Reichert agency of the Travelers in New York City, of which Frank S. Groh is manager, held its annual outing at Jones Beach. About 80 brokers and agents made the trip in two buses. Swimming and other beach sports filled the day and after dinner there was an aquatic show.

#### JULY PRODUCTION UP

The Charles B. Knight agency of the Union Central Life in New York City paid for \$1,399,898 in July, as compared with \$1,250,631 for July, 1933. The total paid-for the first seven months of 1934 was \$19,441,010 as against \$10,181,095 in 1933.

#### TAX RETURN RECOMMENDATIONS

The New York City Life Managers Association has suggested to its members, after further investigation and conference with the city collector and comptroller, that they file only a tentative tax return on the emergency tax of one-twentieth of 1 percent on gross commissions.

The association has also advised members to take into account only commissions on business from residents of New York City. All companies have arrived at some basis on those living in New York City, and it is suggested that general agents use the same percentage. It is also advised that general agents pay only on the difference between the gross commissions they have collected and those which they have passed on to their agents. At first it was thought that general agents would have to pay taxes on commissions even though they had been passed on to soliciting agents. After the taxable commissions have been computed as above, the \$15,000 exemption is deducted.

#### New Life Presidents Member

The Minnesota Mutual Life has been elected to membership in the Association of Life Insurance Presidents.

### New C.L.U. Man



TALMAGE SMITH

Talmage Smith, agency organizer attached to the R. E. Spaulding agency of the Mutual Life of New York in Chicago, has been notified of his having been awarded the C. L. U. degree as a result of the June examination.

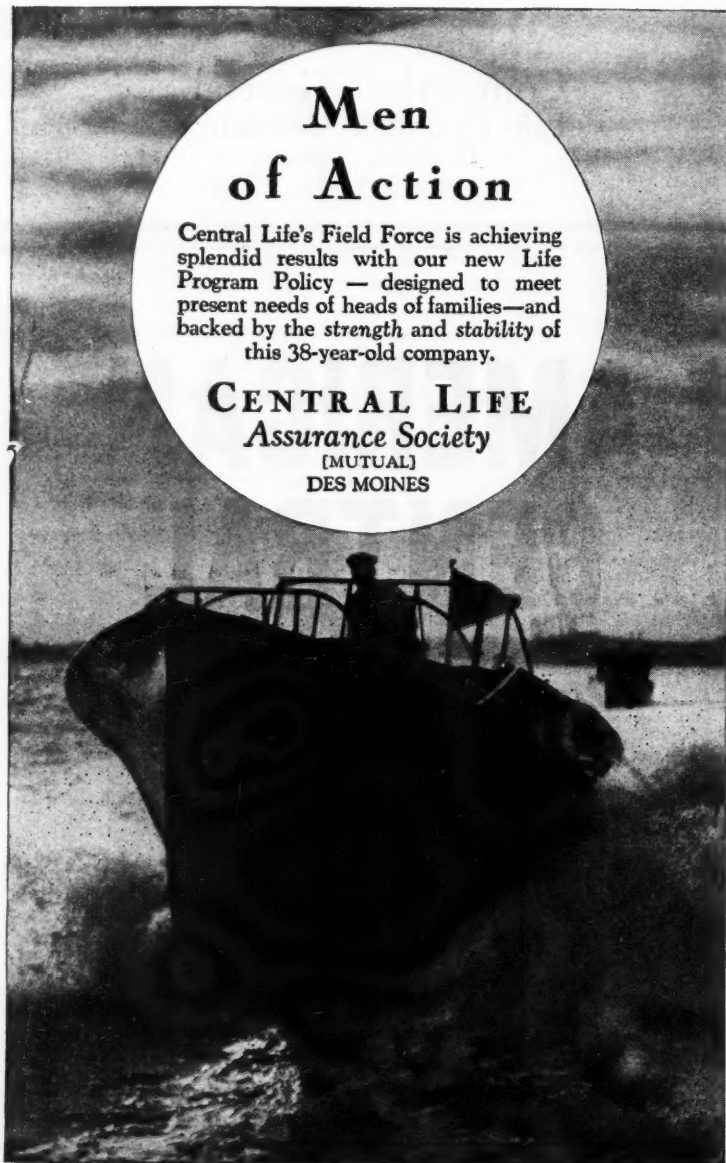
He was born in a sod house on a Nebraska homestead; educated at Grand Island high school and Grand Island College. He served overseas in the war and is now major in Officers Reserve Corps.

Mr. Smith has been in the life insurance business 12 years, as a successful personal producer, district manager and general agent in Nebraska, and since 1929 as agency organizer in the Spaulding agency.

## Men of Action

Central Life's Field Force is achieving splendid results with our new Life Program Policy — designed to meet present needs of heads of families—and backed by the strength and stability of this 38-year-old company.

**CENTRAL LIFE**  
Assurance Society  
(MUTUAL)  
DES MOINES



## NEWS OF THE FRATERNALS

### Fraternal's House Organs

Become Intimate Family Publications  
With Much Information for  
All the Members

The house organs of the fraternal for the most part take on an entirely different color than the bulletins sent out by the regular life companies. The fraternal house organs go to the family. They are read by the wives and other members of the household as well as the premium payer. The fraternal endeavor to attach themselves strongly to the affections of the family. Therefore the house organs have all sorts of reading matter of interest to everyone sitting around the family circle. There are special features that appeal to women and others to the children. There are contributions that have special appeal to the men. These do not deal with insurance. However, there is much constructive insurance material. Many of the societies feature the social activities of the local lodges.

O. E. Aleshire of Chicago, national treasurer of the Modern Woodmen, stated the other day that he knew of no one, for instance, in his local lodge who was unable to pay his premium on account of being hard up that had to drop his insurance. The other members of the lodge made it possible for the insurance to continue. This is indicative of the way the fraternal are carrying on. There is a real sympathetic bond

among the members which is worth much.

### Ten Lodges Seek Receiver for Society; Hearing Called

After denying petition for a receiver for the National Slovak Western Union, Wisconsin fraternal, Judge Schinz in Milwaukee circuit court set Sept. 10 for a hearing on affairs of the society. Ten lodges in Wisconsin filed the petition for receiver, seeking also removal of three officers, President Stefan Holly, Secretary John Sukup and Treasurer John Tomek. An issue is insurance benefits, it being charged that the officers have been styling insurance payments as gifts, in violation of law.

Attorneys for society charge that a clique within the organization is seeking to gain control. They seek to question members of the opposition at adverse examinations which Judge Schinz has ordered to be held before Aug. 25. The transcripts to be filed in court by Sept. 1. The dispute is to be taken up with insurance department before Aug. 20. Judge Schinz ruling that the commissioner has jurisdiction. The court also issued a restraining order forbidding officers from transacting any business not expressly authorized in by-laws, until the issues have been settled.

### Heuer Is Investment Head

William Heuer, formerly president of the Union Savings Bank & Trust Com-



pany of Davenport, Ia., has been appointed manager of the investment department of the Royal Neighbors of Rock Island, Ill.

### Lutheran Brotherhood Leaders

MINNEAPOLIS, July 11.—Based on their leadership in insurance sales for the Lutheran Brotherhood of Minneapolis, A. H. Arneson of Clarkfield, Minn., has been renamed president of the Lutheran Brotherhood Underwriters Association. Martin Nelson, Northfield, Minn., is vice-president, Stephen Wach, Pittsburgh, treasurer.

### Reduce Surplus Distribution

Surplus approximately 15 percent lower on the average than in previous years will be paid in 1934 by the Aid Association for Lutherans. It was deemed by the directors good business to retain a larger percentage of the surplus as a special margin of safety for full protection of members. Time of paying surplus was changed from the month following anniversary of the certificates to the quarter year following anniversary date.

### Fraternal Is Reinsured

The Empire Life of Canada has entered into an agreement to take over the business of the Grand Lodge of the Canadian Order of Odd Fellows. All liabilities and assets will be taken over. About \$1,000,000 insurance is involved.

### Monthly Payment Basis of Fraternal Popular

Many persons who were forced to surrender higher premium insurance have replaced the protection temporarily in fraternal because they operate on a monthly payment basis, Actuary D. D. Macken of the Woodmen of the World, Omaha, said in a talk at a recent meeting of the Insurance Institute of Nebraska held in Lincoln.

Fraternal societies put many millions of dollars into American homes that would not have had a dollar otherwise, permitting families to adjust themselves. They have prepared the minds of the American people to be receptive to the idea of life insurance. They have dealt almost exclusively with the wage earning class which carries small amounts of insurance and operates of necessity more or less on a hand to mouth basis. As a result, great lapsation resulted from lack of employment in the depression.

However, the fraternal were helped on the rebound. Members who carried \$1,000 or \$2,000 fraternal insurance and larger amounts in old line companies, surrendered these larger amounts because of higher premium and kept the fraternal insurance. The depression operated both to make fraternal lose business and to hold it. On the whole, however, they have lost more than they held, he said.

## NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and All Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

### Rates for Mutual Life Form

Further Details Given on Family Protection Policy Recently Announced by Company

Rates for the family protection policy of the Mutual Life of New York, recently announced, include in addition to the ordinary life form with full non-forfeiture values, an amount of term insurance sufficient to pay the guaranteed income to beneficiary for the full period of 5, 10, 15 or 20 years, whichever of these plans is selected. Thus, in the 20-year form, if the policyholder should die in, say, the 19th year, monthly income of 1 percent of the face will be payable for a full 20 years from that time, and then the face of the policy.

The Mutual Life's new form is issued with either 10, 15 or 20 year term insurance and for dependency periods of five, ten, 15 or 20 years. Illustrative rates at quinquennial ages are:

Age	Dependency Period— With 20-Year Term Insurance			
	20 Yr.	15 Yr.	10 Yr.	5 Yr.
21.....	\$32.57	\$30.01	\$27.05	\$23.61
25.....	35.11	32.42	29.31	25.69
30.....	39.29	36.35	32.94	28.98
35.....	45.27	41.89	37.96	33.40
40.....	54.09	49.93	45.11	39.51
45.....	67.29	61.81	55.47	48.11
Age	With 15-Year Term Insurance			
	20 Yr.	15 Yr.	10 Yr.	5 Yr.
21.....	\$32.24	\$29.75	\$26.86	\$23.51
25.....	34.66	32.08	29.05	25.55
30.....	38.54	35.74	32.50	28.75
35.....	43.89	40.77	37.16	32.98
40.....	51.67	47.99	43.72	38.77
45.....	63.34	58.64	53.20	46.89
50.....	81.08	74.64	67.18	58.54
Age	With 10-Year Term Insurance			
	20 Yr.	15 Yr.	10 Yr.	5 Yr.
21.....	\$31.99	\$29.54	\$26.72	\$23.43
25.....	34.30	31.77	28.84	25.44
30.....	37.97	35.29	32.18	28.57
35.....	42.93	40.00	36.61	32.68
40.....	49.89	46.56	42.70	38.22
45.....	60.22	56.14	51.41	45.93
50.....	76.01	70.58	64.28	56.97
55.....	99.83	92.11	83.16	72.78

### Equitable of Iowa New Rates

The Equitable Life of Iowa has put out new rates for its single premium life and refund annuities. Rates for the various forms at quinquennial ages for

males (the rate for females four years younger being the same) are:

Premiums for \$100 Annual Income					
Immediate			Immediate		
Age	\$	Refund	Age	\$	Refund
36..	1,866.57	1,946.42	65..	978.12	1,187.28
40..	1,763.78	1,857.50	70..	816.83	1,044.72
45..	1,623.41	1,737.39	75..	665.76	905.55
50..	1,471.37	1,608.30	80..	529.20	774.52
55..	1,310.44	1,472.16	85..	410.08	653.55
60..	1,144.42	1,330.95			

### Aetna Life Rate Action

The Aetna Life has increased its rates on single premium nonparticipating life, 10, 15, 20, 25 and 30 year endowment policies. Illustrative rates at quinquennial ages for the six forms are:

Age	Life 10-Yr.	15-Yr.	20-Yr.	25-Yr.	30-Yr.
20	284.97	762.40	648.20	555.22	479.86
25	308.73	762.65	648.75	556.44	482.29
30	337.02	762.90	649.69	558.75	486.86
35	370.55	763.72	652.07	563.80	495.78
40	410.03	765.50	656.75	572.95	510.95
45	456.00	768.67	664.63	587.65	534.12
50	508.49	773.82	676.91	609.53	566.85
55	566.15	781.70	694.90	639.92	600.22
60	626.92	793.21	719.78	679.55	640.00
65	696.84	809.31	752.46	724.00	688.00
70	761.92	831.24			

### Completes Endowment Series

The Northwestern Mutual has brought out a specific return endowment at 55 supplementing the specific return endowments at 60 and 65. At death \$1,000 per unit or the reserve value, whichever is higher, is payable. The unit is \$10 monthly income for life. The maturity value at age 55 for males is \$1,640; for females, \$1,752. The contract is written ages 10-45 inclusive. Rates at quinquennial ages are: 20, \$36.67; 25, \$44.86; 30, \$56.63; 35, \$74.63; 40, \$105.01; 45, \$166.22.

### Ohio National Life

The Ohio National Life announces that its annuity rates will be increased in the new rate book, which will be ready for distribution about Sept. 1.

### Mutual Trust Life

The Mutual Trust Life is now using a two-year suicide clause instead of a one-year clause.

"In our efforts to build a strong life insurance institution, we are seeking bedrock. We are endeavoring to build soundly, conservatively, and permanently."

**B**UILDING never ceases. The same care and precision which governed the laying of our cornerstone, shall guide the construction of each addition to our insurance structure. Two booklets, "Let's Talk About Your Future" and "How to Judge an Insurance Company" tell our story. We shall gladly mail them to you.



WALTER W. HEAD, PRESIDENT  
Saint Louis

## SUCCESS... Can Be Assured

**MEN WHO ARE WILLING TO WORK** a few hours each day and who are willing to follow a definite but simple plan, may now be sure of attaining real success.

Two men in Michigan decided to adopt this new method of selling and to work jointly. Here is the record of their production during their first month:

53 applications for the month. A fraction over two applications for each working day.

An average of two applications were obtained from every three interviews.

Total production during the first month was \$102,030.

100% of the policies sold by the new method were delivered and paid-for as soon as they were issued.

*This new plan will work for those who are willing to work the plan.*

**THE OHIO STATE LIFE  
INSURANCE COMPANY**  
COLUMBUS, OHIO

## ASSOCIATIONS

### Would Halt State Employees Acting as Insurance Agents

BALTIMORE, Aug. 9.—A halt on the alleged practice of some state officials and employees acting as insurance agents and influencing the sale of insurance contracts, through the advantage obtained by their political positions, will be called by H. W. Nice, candidate

for the Republican gubernatorial nomination, in the event of his election. That promise was made by Mr. Nice in an address before the Life Underwriters Association of Baltimore.

Mr. Nice said: "The 13,000 men and women in this state who gain their livelihood through selling insurance should not be handicapped, impoverished and rendered helpless through the vicious practice of permitting state officials and employees to act as insurance agents and influencing the sale of insurance through the advantage obtained by their several political positions.

"I would consider it my duty to prohibit state employees from obtaining a

license to sell, or act as agents, or in any other manner influence the sale of insurance directly or indirectly."

**Colorado**—At a breakfast meeting in Denver, Ernest W. Owen, Detroit manager Sun Life of Canada, who is secretary of the National association, spoke on "Thirteen Keys to Success."

**Philadelphia**—An educational course of six lectures is one of the planks of the ambitious program for the coming year considered by the Philadelphia association and outlined by President Millard R. Orr to the officers and directors. Mr. Orr said Irvin Bendiner, who, in addition to being an outstanding life underwriter is an instructor in life insurance salesmanship at the Wharton School of Finance of the University of Pennsylvania, has agreed to study the situation and make recommendations to the educational committee.

**Ohio**—Officers and trustees of the Ohio association met in Columbus and discussed plans for the annual meeting, which will be held in Columbus, probably the first week in September. The agents' qualification law and other matters also were informally considered and the coming year's work discussed.

**Chicago**—Chairmen of standing committees of the Chicago association appointed by President T. F. Lawrence, manager Reliance Life, were approved by the directors. They are: Finance, L. E. Weil, Northwestern Mutual; membership, I. B. Jacobs, Mutual of New York; speakers, A. E. Patterson, Penn

Mutual; legislation, C. B. Stumes, Penn Mutual; business practice, Walt Tower, managing director, Chicago association; life trust round table and educational, R. L. Davis; advertising, R. W. Somers, Continental Assurance; music and entertainment, George Unger, Equitable of New York; greeters, F. T. Platka, Metropolitan; by-laws, Frederick Bruchholz, New York Life; national committeeman, P. B. Hobbs, Equitable of New York; chairman managers' division, F. H. Haviland, Connecticut General; golf and field day, A. E. McKeough, W. A. Alexander & Co.; chairman financial, L. S. Broadus, Acacia Mutual; independence week, C. T. Milner, Great West Life; convention attendance and publicity, J. C. Windsor, Equitable of New York.

**New Orleans**—Heart disease causes far more deaths than any other illness, Dr. R. C. Voss told 100 members of the New Orleans association. He declared that it accounts for 2½ times as many deaths as cancer.

V. T. Motschenbacher, state president, announced that the association here had secured a larger membership than any other group in the United States in recent months.

**San Francisco**—Commending Dr. J. C. Geiger, San Francisco director public health, the San Francisco association has adopted a resolution of appreciation for his skillful handling of the recent epidemic of infantile paralysis.

**Georgia**—A meeting has been called for Aug. 16 in Macon to perfect organization of a state association. A preliminary meeting was held there last week.

## MANAGERS WANTED for NEBRASKA

By Company recently licensed in that State. None but experienced and successful agents need apply.

An aggressive legal Reserve Old Line Company located in the mid-west. Company managed by experienced insurance men familiar with the agent's problems and know how to co-operate.

Give all necessary information and qualifications in first letter. Replies will be held strictly confidential.

Address Y-72 care of National Underwriter.

## Hot Weather Selling

"Ice Breakers" are even more important in summer selling than in winter. Fidelity has tried and proven tools which increase its agents' opportunities to gain a hearing and pave the way for more resultful interviews.

### Eye Appeal Effective

These "ice breakers" bridge the critical first few minutes of the interview, capture attention, arouse interest and launch the agent into his selling theme. Backed by a complete kit of modern policy forms Fidelity agents find these "ice breakers" particularly useful in hot weather selling where interest must be captured quickly.

Send for booklet, "The Company Back of the Contract"

**The FIDELITY MUTUAL LIFE  
INSURANCE COMPANY  
PHILADELPHIA**  
WALTER LEMAR TALBOT, President

## LIFE COMPANY CONVENTIONS

### Great West Life Will Hold Eastern, Western Meetings

The Great West Life of Winnipeg will reward 125 of its leading producers in paid business with a trip to Murray Bay, Quebec, for the eastern department Aug. 22-25, and for the western department to Jasper Park, in the Canadian Rockies, Sept. 5-7. The business paid for between Jan. 1, 1933, and June 30, 1934, determined those who qualified.

Managers in the eastern department will attend a conference at Montreal Aug. 20 and 21. The eastern department includes Michigan, Illinois and Ontario, Quebec and the maritime provinces. Home office officials attending the conference will be C. C. Ferguson, general manager; F. D. MacCharles and H. W. Manning, assistant general managers; E. A. Brock, secretary; Dr. W. L. Mann, chief medical director, and M. H. Bingeman, agency secretary.

### Lamar Life at Biloxi

The Lamar Life, with 150 delegates in attendance, held its annual convention in Biloxi, Miss. Speakers included Jesse Bounds, president; Dr. J. O. Segura, vice-president; George D. Riley, Mississippi insurance commissioner; J. S. Maryman, Aetna Life, Little Rock, Ark.; Dr. J. W. Dupree, Greenville, S. C., and Clayton Rand, Gulfport, Miss.

Other company executives in attendance were P. K. Lutkin, executive vice-president; A. E. Babbitt, vice-president and actuary; W. D. Owens, vice-president and secretary, Rex B. Magee, advertising manager, and Roy D. Nelson, field conservation manager.

### Atlantic Life Gatherings

The "Aces" convention of the Atlantic Life of Richmond, Va., will be held in two sections, one in Washington, Aug. 26-28 and the other at Virginia Beach, Aug. 29-30. There are five clubs in the Atlantic Life field organization, the Business Builders, President's, Five Club, Stars, and App-a-Week.

### National L. & A. Men in Louisville

With President W. R. Wills as honor guest, 115 agents of the National Life

& Accident from Evansville, Lexington and Louisville attended a luncheon in Louisville at the Brown Hotel. The company recently opened a second agency in Louisville under direction of E. O. Harris, Jr. Other officials attending were E. B. Stevenson, vice-president, and George D. Wright, manager of northern territory.

### Open New Kansas City Office

New offices were opened in the Dierks building, Kansas City, by T. D. Van Osdel, regional manager for the Yeomen Mutual Life of Des Moines. Visitors from the home office included G. F. Wall, secretary and P. A. Stark, superintendent of agents, both former residents of Kansas City; Dr. E. B. Mountain, medical director; Arthur Larsen, actuary, and R. B. Helser, agency secretary.

### Conducts "Fishing Party"

The H. L. Rogers agency of the Equitable Life of New York in Indiana has just completed an interesting agency contest, a fishing party. The ten high fishermen, on number of points, or rather pounds of fish, with the eight unit managers, were entertained by Mr. Rogers on a two-day fishing party on the Tippecanoe river. The competition was keen and the contest brought in a gratifying amount of business.

### Home Office Men at Picnic

E. L. Gifford, general agent Central Life of Des Moines at Dubuque, Ia., had a number of home office executives in attendance at his annual picnic, including Dr. M. I. Olsen, vice-president and medical director; F. P. Carr, vice-president and general counsel; J. E. Leaver, vice-president and superintendent of agents, and V. H. Ellingson, supervisor.

### Brown Holds Picnic Meeting

The South Bend, Ind., agency of the Mutual Life of New York held an old-fashioned picnic meeting for the northern Indiana agency force at Lake Manitou, near Rochester, Ind. After a two-hour business session conducted by Manager Argyle Brown, the rest of the day was devoted to recreation.



# SALES IDEAS AND SUGGESTIONS

## Success in Securing Big Part of Business from Brokerage Sources Makes Baldwin Exception to Rule

While brokerage business is traditionally less persistent than that produced by full-time men, L. E. Baldwin, general agent New England Mutual Life in New York City, has proved that this particular tradition need not prevail.

Mr. Baldwin gets 75 percent of his business from brokerage sources. Yet, as President George Willard Smith pointed out recently in presenting the company's 25-year service medal, Mr. Baldwin always has had a persistency record better than the company's average, and during various years has led all its agencies.

### Success Depends Upon Pre-selection, Follow-up Plan

This persistency record Mr. Baldwin attributes equally to his rigorous pre-selection of business before it ever gets to the medical examiner, and to the very thorough follow-up system with which he prods dilatory policyholders into action when they are about to let their policies expire.

What the general agent can do in selecting business depends not only on his intelligence and experience but on his desire to accept nothing but the highest grade risks and his resoluteness in keeping standards high. That Mr. Baldwin puts his beliefs into action may be gathered from the fact that the business he submits to his company is just about one-half of what is submitted to him.

### Experience, Horse Sense Are Principal Factors

Mr. Baldwin claims no magic formula for weeding out undesirable business before it gets to the medical examiner. Experience and horse sense, he contends, will enable a man to put his finger on the spots in a case that don't look just right and dig into them until his suspicions are verified or proven groundless. "If you see something at the foot of the stairs, don't stop until you have found out what's at the top," is one of his axioms.

He bases his judgment of cases equally on his opinion of the broker and of the particular case in question. Some of the best brokers on the street, he has found, occasionally bring in undesirable cases. While the sour spots in cases take a wide variety of forms, the physical impairments outweigh the moral in number as causes for refusal to take business.

### Has Reputation Among Brokers for Sound Practices

As a result of his strictness he has not alienated brokers but rather has built up a reputation for taking none but thoroughly sound business. Brokers bring only their better cases to him and his selection problem is simplified by that much. As a result of his rigorous pre-selection the ratio of acceptance by the company on business he submits is very favorable. Incidentally, while the term "broker" is used to designate all business received from other than full-time organization, Mr. Baldwin's brokerage business is largely from whole-time life agents.

### Premium Payment Average Better Than Semi-annual

Another place where persistency is aided by selection is in the percentage of annual premium cases, which is larger than in any office Mr. Baldwin knows of. All the business his office has on its books requires 1.68 premium payments per policy year, compared with 1.00 if it

were all annual premium business, 2.00 if all semi-annual, etc. Most agencies run about 2.5, or averaging more frequent payments than semi-annual. An average of 2.00 or semi-annual is considered very good, so it can readily be seen what it means to have a record of 1.68.

Also contributing to persistency is the average size of policies written by his office. For the first five months of this year, the latest period for which the figures are analyzed, the average was \$15,600, while the average for the last five years was above \$10,000.

### Keeps After Policyholders to Ward Off Lapsation

Concerning the second main cause for his persistency record, the close-up of possible lapses. Mr. Baldwin believes that many offices are too weak-kneed about keeping after such policyholders. After the legal premium notice is sent out, another notice is sent out five days after the due date.

If the premium is still unpaid and if there is a loan against the policy, or if the policy is a first year collection, a letter is sent out 12 days after the due date. On the 28th day of grace, a list of all due and unpaid premiums is placed on Mr. Baldwin's desk and the cashier telephones or telegraphs the delinquent

policyholder. About three times a week Mr. Baldwin and the cashier confer about the names still on the unpaid list.

As a final shot, about four or five days after expiration of grace period, a personal letter is sent to the insured, pointing out that a life policy is a valuable asset, that he has let it lapse and that if he will immediately communicate with the office, the general agent will see what can be done about reinstating it.

"Too many insurance men let their policyholders ride them; they are afraid that if they ruffle a man they will lose his business," Mr. Baldwin said. "Actually, I believe a man has a great deal more respect for a company and an agency if he knows that, as with a bank, he has got to meet his payments on a certain date or be the loser."

### Has Little Patience with "Pussyfooting" Method

"He will make much more effort to meet the payment than if you let him feel that he can pay it several days after the end of the grace period. He ought to understand that he has got to pay by the end of the grace period or he loses his protection. Any attempt at pussyfooting takes away from the dignity of our business."

Mr. Baldwin stresses the fact that not an iota of his persistency record is due to paying anyone's premiums. He has taken this as one of his principles and he sticks to it.

An analysis of all new business written year by year for ten years shows that at the end of the period, 74 percent of the total of such business was still in force.

## Juvenile Insurance Real Opportunity

Juvenile insurance is looked upon by the vast majority of life agents as at least a semi-industrial type of business, when in fact it offers today far greater opportunity than adult insurance for an agent to make a living income.

The juvenile insurance approach develops business where no sales of adult insurance are possible. Every man or woman is keenly interested in his or her children and in making provision for their welfare and education. Juvenile insurance, moreover, is a more permanent type than adult, not being nearly so susceptible to policy loans, lapsation and cancellation. A father will drop all the rest of his insurance before dropping his children's policies.

### Carries Strong Appeal

The appeal is one that hardly any parent can resist. First, the juvenile policy will serve to get the youngster started early in life by saving money and give him a knowledge of the workings and benefits of life insurance. The independence theme can be more fully developed by the agent suggesting the youngster be given an increased allowance, a part of which will go to pay for his life insurance, or that the parent urge him to use a part of his earnings from cutting lawns, etc., to pay for his own insurance.

Second, juvenile offers a fine lead to sell insurance to the parents and others of the family. A discussion of juvenile policies brings up the matter of family protection; in fact, the juvenile application asks the question whether the father carries insurance. Many companies will not insure the child unless the father has some policies.

In case the "payor" clause, or waiver of premium on the father's life, is taken, this offers an opportunity to have the company issue a policy directly on the parent's life which the agent can take back when he delivers the child's policy.

It is especially adaptable for accumu-

lating money for educational purposes. In line with this the parent can be urged to allocate the cost of the policy to the savings item in his budget rather than to life insurance. While the father controls the cash value in a child's policy, in the experience of companies writing juvenile insurance, loans, lapse and cancellation are practically nil. For this reason, from the agent's standpoint juvenile is a type of business more profitable renewal-wise. Since it pays standard commissions and the rates per \$1,000 are about the same as for adult, or \$25 to \$30, it is a profitable business from the first year commission standpoint.

There is less competition in the juvenile field than in adult insurance. There are comparatively few agents spending much time in this field. The juvenile approach offers agents opportunity to make another call on old prospects with something of interest to present. Prospects also are extremely easy to secure. Every client is a booster, telling friends and neighbors about taking a child's educational policy when he would not think of discussing his own personal insurance.

### Cash and Paid-Up Benefits

The 25-year or 30-year endowment contracts are especially advantageous in that a paid-up life insurance estate can be created and a large sum taken down at maturity. In the case of the 30-year endowment, after 30 years' premiums have been paid, a paid-up policy for \$1,000 can be taken and also a cash return almost exactly the accumulation of 30 annual premiums.

In presenting juvenile insurance the death benefit is minimized, which it is said causes the parent to emphasize this feature, although it might react unfavorably if it were stressed by the agent because the parent does not want to profit through the death of his child.

Educational work in the juvenile field has been done by agents of industrial

## Agents Urged to Attempt to Sell Larger Policies

Increasing the size of the average policy by quoting larger units is urged by the Manufacturers Life. Very often a \$1,000 or \$2,000 policy might as well have been larger if the agent had quoted a premium on a larger unit. Although the backbone of the life business is the comparatively small policy, in many cases the amount is not determined by the prospect's ability to pay or by his need, but by the mental attitude of the agent. If he is quoted a premium on too small an amount, the prospect accepts this figure although he may need and can afford more.

To demonstrate what can be done along this line, an agent tabulated the premiums and values for \$1,250 for each age. As a result he rarely sells a \$1,000 policy and his minimum is \$1,250 and where he would ordinarily sell \$2,000, he now sells \$2,500. By this method his yearly production is increased 25 percent. Other agents have been successful in quoting the amount of insurance that can be purchased with \$100 under the various plans. By this method an actual increase in volume can be secured. It will pay agents to give real thought to the matter of how they can write larger average policies, says the Manufacturers Life.

companies. The average life insurance buyer has in mind when juvenile insurance is mentioned the 5-cent or 10-cent-a-week plan. He is surprised when he is shown the standard contract of an ordinary company, comparing in every respect with the adult policies.

Many people have attempted to make provision for a youngster's welfare and education through other means, by savings account, investment in stocks and bonds, trusts, etc. The bad experience through these methods in the last four years, and loss of much of the principal, have caused people to look for something really certain, and life insurance, it is now well recognized by the public, is the answer.

The sale of juvenile is not limited to people in the smaller brackets, as most agents may suppose, but many wealthy men include juvenile in their life insurance program, some for premiums aggregating several thousand dollars annually. Limits for standard juvenile insurance of most companies are virtually those for adult insurances, depending upon the financial condition of the family and whether there is any speculative feature.

### Answer to Common Objection

A pointed answer to the frequently encountered objection: "My wife was a school teacher and she can go back teaching school if anything happens to me," was developed by V. J. Harrold, general agent of the Lincoln National Life for northern Indiana. Recently he wrote to the department of education of Indiana.

"How many school teachers are out of jobs?" he asked the director of education in the state.

Director Murray replied: "Taking the teachers who are certified in this state and who are now unemployed, we find that the number exceeds 8,000. Dr. H. W. Chase, chancellor of New York University in his talk to the Life Presidents Association said there are 200,000 unemployed teachers in the United States."

Mr. Harrold concludes that in every profession and business it is difficult today for the widow to get back on the job.

## C. L. U. Results in 1934 Quiz Listed

(CONTINUED FROM PAGE 1)

Mutual, Decatur, Ill.; Lackey, G. E., Massachusetts Mutual, Detroit; Landes, Guy M., Connecticut Mutual, Tulsa; Lathrop, Grace C., Equitable of New York, Boston; Lauer, R. A., Northwestern Mutual, Cincinnati; Lewis, Gibson, Massachusetts Mutual, Brooklyn; Lightstein, J. H., Northwestern Mutual, Detroit; Logue, H. L., Connecticut General, Fort Wayne, Ind.; Lungren, W. W., Northwestern Mutual, Racine, Wis.; Mack, W. J., Northwestern Mutual, Cincinnati; Marks, S. L., Prudential, New Orleans; McNulty, J. A., Prudential, New York; Moore, H. H., New England Mutual, New York; Murphy, F. D., Massachusetts Mutual, Champaign, Ill.; Nadel, S. J., Northwestern National, Dallas; Nash, S. B., Massachusetts Mutual, Ripon, Wis.; Nathan, F. N., New York Life, Los Angeles; Nathan, W. G., Mutual Benefit, Kansas City; Paul, W. W., Union Central, Davenport, Ia.; Proctor, E. T., Northwestern Mutual Nash-

ville, Tenn.; Sawin, E. A., Provident Mutual, Philadelphia; Schuette, Agnes C., New York Life, Chicago.

\* \* \*

Schultz, E. K., Massachusetts Mutual, Baltimore; Sharpe, G. A., Mutual Benefit, New York; Sherman, Marvin, Equitable of New York, Los Angeles; Shoemaker, G. P., Provident Mutual, New York; Sill, S. W., New York Life, Salt Lake City; Smith, Talmage, Mutual of New York, Chicago; Snyder, K. M., Northwestern Mutual, Omaha; Spiller, C. R., Mutual Benefit, Los Angeles; Stephenson, M. B., manager conservation division, General American, St. Louis; Stokes, W. C., Jr., State Mutual, Philadelphia; Stolz, A. F., Mutual Benefit, New Haven, Conn.; Stone, W. F., Aetna Life, St. Paul; Strief, W. B., Equitable of Iowa, Des Moines; Strudell, F. D., Northwestern National, St. Louis; Sweeney, P. J., Mutual of New York, Livonia, N. Y.; Szwed, W. F., Prudential, Detroit; Teachenor, Dix, Kansas City Life, Kansas City; Teekell, W. W., Lincoln National, Shreveport, La.; Thierbach, R. P., assistant director of agencies, Northwestern Mutual, Milwaukee; Towner, L. N., John Hancock, Baltimore; Tripple, George, broker, Seattle; Wade,

Mary C., Penn Mutual, Kansas City; Walker, F. E., United Benefit, Salt Lake City; Wall, M. S., Travelers, San Francisco.

\* \* \*

West, T. H., Phoenix Mutual, Portland, Ore.; White, F. E., American Conservation Company, Chicago; Whitlock, Ernest, Massachusetts Mutual, Omaha; Wiener, Louis, Northwestern Mutual, New York; Wiley, H. L., New York Life; Minneapolis; Wilkins, R. E., assistant supervisor, ordinary agencies, Prudential, Newark; Wilson, W. C., Guardian Life, Cincinnati; Winter, H. P., Union Central, Davenport; Wolcott, E. O., Provident Mutual, Philadelphia; Wood, W. A., Travelers, New York; Woodruff, Clara W., John Hancock, Portland, Ore.; Wynne, J. L., Equitable of New York, Baltimore; Zeigen, S. L., Phoenix Mutual, New York.

## Huebner Hopes Annuities Will Not Be Too Limited

(CONTINUED FROM PAGE 3)

life insurance I reduce their loss to a minimum. The policyholder is the beneficiary, really."

Life insurance, he said, is the only investment in this country that makes all seven applications of the law of averages: distribution over all different economic interests of the country, distribution geographically, distribution by number of investments, distribution of investments as to maturity in order not to be subject to liquidity, distribution as to clientele, etc.

Dr. Huebner said there is nothing extraordinary about the low interest trends of the moment. There have been such tendencies before and experience has shown some 10 to 20 years are required to work through these times. Dr. Huebner said he drew confidence from the fact that 75 percent of the bonds in the 21 billion dollar insurance investment portfolio in this country are protected in maturity for from ten to 20 years, at the duration of the interest cycle. The fact that the life insurance portfolio already is made means that a decrease in income return will come gradually over a long period of time.

Dr. Huebner warned insurance men to leave the 3 percent federal annuity tax alone. He said it would be advantageous not to test the constitutionality of the law. President Willard Ewing of the Kansas City association, general agent Provident Mutual, presided. Superintendent O'Malley of Missouri spoke briefly.

In Oklahoma City Dr. Huebner will remain two days, devoting the first day to a training school for the state general agency of the Massachusetts Mutual.

## Promote Candidacy of Nice

Insurance men in Maryland are receiving considerable literature in behalf of Harry W. Nice, Republican candidate for governor of that state. Much emphasis is placed upon the address made before the meeting of the Life Underwriters Association of Baltimore at a recent meeting, in which he said, if elected, he would undertake to prohibit state employees from selling or aiding in the sale of insurance, that he would appoint a committee to standardize all policies for state property and have them purchased in companies and agencies entitled to recognition on a uniform basis. He further stated that

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if elected agents in the various counties would be favored with state insurance business originating in those counties. He said foreign companies should be subjected to a rigid examination of assets and affairs before being licensed. In some cases deposits should be required. Powers of the insurance commissioner should be increased so that he could subpoena witnesses, put them under oath and should be authorized to compel attendance of persons whom he believes to possess information concerning irregular practices. He said that it is absurd for the state insurance commissioner to be other than a trained, experienced insurance man. Among the Maryland agents supporting Mr. Nice is W. Harry Haller of Frederick.

## Proposed St. Louis Tax on Agents Apparently Killed

ST. LOUIS, Aug. 9. — Through prompt action on the part of the legal staff of the American Life Convention the threatened special St. Louis tax of \$25 a year on each of the 3,000 insurance agents and brokers in this city apparently has been permanently killed.

The special tax had been recommended by J. G. Burkhardt, special tax attorney for the city, as one means of raising approximately \$4,450,000 in additional city taxes needed to offset threatened deficits. Alderman Slay also announced that he proposed to introduce a bill to levy a 25-cent tax on all insurance policies issued in the city, including life.

The American Life Convention at once arranged a conference with Mr. Burkhardt and other attorneys for the city and made representations in opposition to the two tax measures, citing the Missouri statutes, which would bar such taxes. Following these conferences, Mr. Burkhardt agreed to recommend to the special tax committee that further consideration of the proposed insurance taxes be dropped. The city counselor's office advised Alderman Slay that it is beyond the power of the city to enact the proposed policy tax.

## San Antonio Managers Name Brown Permanent Chairman

SAN ANTONIO, TEX., Aug. 9. — At the monthly meeting of the San Antonio Managers & General Agents Club, Matthew Brown was elected permanent chairman; B. A. Weidemann, vice-chairman, and G. A. Holland, secretary-treasurer. Directors selected are H. D. St. John, to succeed D. O. Johnson; W. L. Nash, Lucien Jones, R. H. Smith and W. H. Childers.

O. P. Schnabel, president Texas Life Underwriters Association, spoke on "Objectives of Life Insurance Men." The objectives as he enumerated them are an increase in association membership, which will result in the accomplishment of desirable changes in field practices and legislation; publicizing of insurance to break sales resistance; development of civic minded attitude on the part of underwriters; improved advertising in life insurance week; the use of the term "owned" as applied to life insurance, rather than "carried," intensified interest in C. L. U. developments; sales congresses to be held at San Antonio, Houston and Dallas, Jan. 9-11; legislation in cooperation with the American Life Convention, and weeding out undesirable agents.

B. A. Weidemann was chairman. Guests were W. R. Hoefflin, western agency supervisor Pacific Mutual Life, and D. J. Farrell, El Paso, Tex., general agent Pacific Mutual.

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